The World's Daily Newspaper

Paris, Wednesday, May 17, 1995



## Police Seize Cult Guru and 14 Aides in **Gas Deaths**

Tokyo Governor's Office Is Hit by Bomb Attack After Key Detentions

> By Nicholas D. Kristof New York Times Service

TOKYO — Japanese police arrested top members of the Aum Shinrikyo religious cult Tuesday, but the explosion of a parcel bomb Tuesday night in the offices of Tokyo's top official underscored that the terrorism may not be over.

The bomb blew off the hand of a city official. No one claimed responsibility, and it was unclear if it was linked to the crackdown on the cult.

Because of the fears that Aum members may stage retaliatory strikes, the army's chemical warfare units and 80,000 police officers were put on alert Tuesday around Japan. Security was especially tight in train stations and other public places.

The police arrested 15 of the 41 Aum members for whom arrest warrants were issued Monday night in connection with the nerve gas attack on the Tokyo subway system in March. Twelve were already in custody, so 14 remained at large.

Prime Minister Tomiichi Murayama speaking in a nationwide address, warned that some Aum members may still possess :. sarm nerve gas.

"We will make the utmost efforts to prevent a recurrence of sarin attacks, mainly through thorough police work, wi. Murayama said

The sect's guru, Shoko Asahara, who is suspected of masterminding the nerve gas attack on the Tokyo snoway system, was arrested for murder after he was discov-- ered meditating in a secret chamber in the cult's headquarters, near Mount Fuji.

The police had to use crowbars to break into the hiding place, which was one meter (three feet) high and roughly as big as a very large coffin.

Mr. Asahara and his disciples now may face the death penalty, by hanging Multiple municrers are often hanged in Japan. Japanese television, drawing from a police briefing that foreign journalists were interrogation Mr. Asahara had denied any involvement in the subway attack.

"How could I, as a blind man, have possibly done such a thing?" Mr. Asahara
was quoted as saying. Mr. Asahara has very poor vision, although he can see enough to walk around.

Although Aum has repeatedly said that Mr. Asahara is gravely sick, he was able to ralk without difficulty to the van that · crought him to Tokyo.

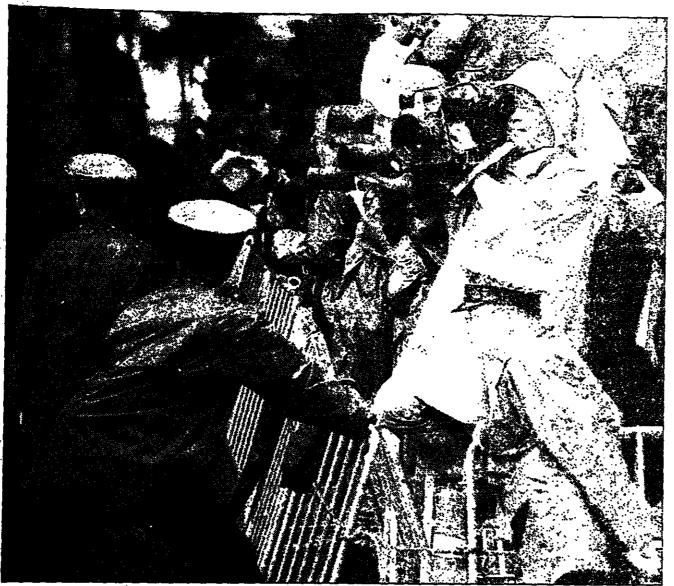
The public responded to the arrest with widespread clation. People snapped up free extra editions of newspapers that were distributed in subway stations, and crowds turned out to watch along the highway as a convoy of police cars with lights flashing delivered Mr. Asahara to the Tokyo police headquarters.

The police have been concerned all along that the arrest of Mr. Asahara would rigger retaliatory terrorism. A senior police official said he doubted that the sect now had sarin, but other government officials said that it might.

One reason for the police's view may be statements made under interrogation by Aum's top chemist, Masami Tsuchiya. The Asahi Shimbun, a Japanese daily, reported that Mr. Tsuchiya said that the sect had disposed of its sarin stockpile as a way of destroying evidence.

Another newspaper, the Yomiuri Shimbun, said that Mr. Tsuchiya had told the police that in any case the sarin that he had made deteriorated quickly. Normally, pure lin keeps for many years if stored in an artiply container but there are some in airtight container, but there are some in

See CULT, Page 4



Police manning the barricades Tuesday as photographers scrambled to capture the arrival of Shoko Asahara, the leader of the Aum Shinrikyo sect, at the headquarters of the Tokyo Metropolitan Police after his arrest on murder charges.

## Father of China's Bomb Dares Speak Up

By Patrick E. Tyler New York Times Service

BELJING - One of China's leading nuclear physicists, a designer of the country's first atomic bomb, has joined 44 other scientists and intellectuals in calling on China's leaders to lift the "counterrevolutionary" verdict from those who took part in the 1989 pro-demogracy movement at Tianaumen Square.

Wang Gaachang, 88, led the elite group has continued to play an influential role in ing hundreds.

China's scientific institutions and as a senior adviser to the government.

Mr. Wang added his name to those callng on the Communist Party to "release all ose who have been imprisoned because of their thoughts, religious beliefs, or acts of speech, and boldly end the ignominious tradition of literary inquisitions that has persisted in our country since ancient

The petition was signed by the largest and most prominent group of Chinese in-tellectuals since the 1989 pro-democracy of Chinese physicists who developed and appeals, when open political dissent led to tested the explosive assembly and trigger the climactic confrontation in which ing system for the fission bomb that was troops fired on unarmed students, workers exploded on Oct. 14, 1964. Since then, he and bystanders the night of June 3-4, kill-

In a letter addressed to President Jiang Zemin and Qiao Shi, chairman of the National People's Congress, the intellectuals called on the government to treat all "political thought and religious belief with the spirit of tolerance and never again regard individuals of independent thought and independent views as 'hostile elements' and submit them to repressive attacks, surveillance, house arrest, and even deter-

A cover letter identifies Xu Liangving, 75, as the drafter. Mr. Xu is a translator of nese. He said the draft of his appeal "received the support" of many of his colleagues at the Chinese Academy of

See PROTEST. Page 9

## 100% Tariff Aimed At Japanese Autos

## Punitive Sanctions Could Wipe Out U.S. Market for 13 Luxury Models

By David E. Sanger

WASHINGTON - Following through on its threat to impose harsh sanctions on Japan, the Clinton administration placed a 100-percent tariff Tuesday on 13 luxury car models that accounted for \$5.9 billion in sales in the United States last year, including the flagship products made by Toyota, Nissan and Honda.

The tariff, the largest ever imposed by the United States against any trading partner, is scheduled to go into effect at 12:01

A.M. Saturday morning, when customs increases will be instanced to double the inspectors will be instructed to double the wholesale price of every Toyota Lexus, Nissan Infiniti and a range of other cars that roll off of Japanese transport ships.

But administration officials said the sanction would be rescinded if Japan and the United States could reach an accord by June 28, giving the two countries six weeks to resolve a dispute that has already gone far beyond the issue of cars.

While the immediate issue is the openness of Japan's market to American cars and car parts, the argument has broadened tremendously in recent weeks and led to warnings on both sides that the alliance between the world's two largest economies could be threatened unless two very different economic systems are reconciled.

"We've put everything on this one." one of Mr. Clinton's top trade officials said Tuesday, "We came to the conclusion that either we draw the line here, or throw in the towel on Japan."

Japanese officials said Tuesday that the American sanctions violated international trade laws. They said that, within days, they would bring an action against the United States at the new and still-fragile World Trade Organization in Geneva.

The U.S. government conducts its trade policy in a coercive manner completely beyond our comprehension," said Masaharu Tanaka, an executive vice president at Toyota Motor Corp. In private, Japanese government officials contend that Mr. Clinton is simply playing presidential politics, trying to shore up support among labor unions and middle-class voters who see their jobs threatened by Japan's long reach in the American market.

But American officials said that, for the would be filed. first time, they have found a way to hit Japan where and when it hurts most,

makers could endure the huge loss of profits that would come from being effectively shut out of the U.S. luxury car market. If they had to add \$25,000 to \$40,000 to the price of their most profitable cars, they would essentially be giving the market away to Mercedes-Benz, BMW and Jaguar, and to some competitive American

The U.S. is not going to stand by and watch its workers and its products unfairly treated," said Mickey Kantor, the U.S.

The costly and complicated trip of a U.S.made Jeep to a Tokyo showroom. Page 13.

trade representative, who has led the drive to take a far tougher approach on Japan than any past administration. Among American workers, he said, "very, very few people will be hurt."

In fact, the list announced by Mr. Kantor Tuesday was more a political masterpiece than an economic one. All of the cars are produced in Japan with minimal use of American parts. The only American industry badly harmed by the move would be car dealers who sell them, who complained on Tuesday that they would be bankrupted

Martha M. Hamilton of the Washington Post reportea:

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The Japan Automobile Manufacturers Association Inc., a U.S. trade group, immediately attacked the proposed sanctions, calling the administration's actions "ill-conceived, ill-considered and illegal."

Meanwhile, the Japanese trade minister, Ryutaro Hashimoto, said the U.S. sanctions were "clearly inconsistent with the rules of the World Trade Organization," But while he called America's actions "regrettable," Mr. Hashimoto also said that lapan would move forward with some opening in its auto markets, "for the benefit of both Japanese consumers and automobile industries of the world.

The U.S. decision to propose sanctions came after more than 20 months of trade negotiations that failed to reach an accord. The Clinton administration has said that it will ask the World Trade Organization to review Japan's auto markets, although trade officials said Monday that a decision had not been made on when the req

Mr. Kantor said that U.S. automakers "have become as competitive as any indus-It was unclear how long Japanese auto- try on Earth and should be treated fairly."

## Barrages Kill 6 in Sarajevo In Worst Battle in 2 Years

By Christopher S. Wren New York Times Service

ZAGREB, Croatia - The heaviest fighting in more than two years rocked the besieged Bosnian capital, Sarajevo, on Tuesday after government forces used mortar fire to pound Serbian military barracks in the suburb of Lukavica.

A barrage of four shells at about 8:30

A.M. triggered fierce exchanges of mortar and machine-gun fire between Bosnian Serbian fighters and the Bosnian Army that continued into the afternoon, sending pedestrians running for their lives.
Six people were killed and more than

two dozen wounded. A 12-year-old girl was among the dead, and her 17-year-old brother was wounded, officials said. The Bosnian Serbs also reported civilian casualties on their side, but did not say how

By Tuesday evening the fighting, which UN officials described as the worst since 1993, had quieted down. But explosions and sniper fire continued into the night,

leaving the city of 380,000 residents look-

ing deserted. 'There's nobody in the streets." Alexander Ivanko, a UN spokesman, said Tues-

UN officials were talking to both sides, Mr. Ivanko said, and had secured a pledge that the combatants would only shoot when fired upon. But he said there were still periodic explosions.

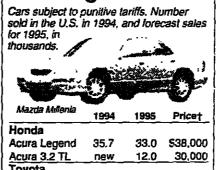
"The last was one minute ago," Mr. Ivanko reported over the telephone. The new eruption of violence comes at a time when the UN secretary-general, Boutros Boutros Ghali, is reassessing the orga-

nization's future in the former Yugoslavia. The secretary-general's special represen-tative, Yasushi Akashi, said in Zagreb that the new fighting in Sarajevo "sets back the

clock in the search for a peaceful settle-ment in Bosnia and Herzegovina." He recalled that he had appealed for restraint when a four-month cease-fire expired on May 1. "There is no evidence of

that restraint today, as fighting rages See BOSNIA, Page 9

## The Targeted Cars



monga					
Acura Legend	35.7	33.0	\$38,000		
Acura 3.2 TL	new	12.0	30,000		
Toyota					
Lexus LS 400	22,4	19.8	51,200		
Lexus SC 400	7.4	5.6	48,400		
Lexus SC 300	4.5	3.5	41,800		
Lexus GS 300	13.9	10.4	42,700		
Lexus ES 300	39.1	33.7	31,500		
Nissan					
Infiniti Q 45	11.4	9.8	52.400		
Infiniti J 30	22.8	21.4	38,500		
Infiniti I 30	uew	24.0	30,000		
Mazda					
929	9.2	5.2	35,800		
Millenia	24.4	29.3	29,000		
Mitsubishi					
Diamante	18.1		32,000		
†Manufacturer's suggested retail price before the new tariffs.					

luxury cars. Tokyo called for urgent talks at the WTO with the United States, while em-

phasizing that the dispute would not damage broader "multifaceted U.S.-Japan cooperation." The announcement of the list of sanc-

tions had been expected here, but Washington's surprise tactic of imposing them as soon as Saturday caught Japanese auto-makers off guard. It means that boatloads of cars en route to the United States may be hit with huge tariffs that the automakers had not expected to come into force until a month from now. Japanese officials said the move would

only strengthen their complaint to the WTO that the unilateral sanctions are a violation of international trade rules.

## Tokyo to Appeal to WTO But Shuns a Trade War

By Steven Brull International Herald Tribune

TOKYO — Japan said Tuesday that it would appeal to the World Trade Organization following Washington's proposal of stiff sanctions against imports of Japanese

They emphasized, however, that they wanted to avoid mutual retaliation that could trigger a trade war and undermine broader relations with the United States.

"It is quite a shock," said the deputy trade minister, Yoshihiro Sakamoto. "We will immediately appeal to the WTO. But we will not announce whether or not we will impose any countersanctions at the Trade Minister Ryutaro Hashimoto said

that the sanctions would "severely disrupt Japan's trade with the United States" but that broader ties with its major trading partner would not be affected. "The different positions over auto and

auto parts issues will not adversely affect our multifaceted cooperative relationship," he said.

In Brussels, the EU trade commissioner, Sir Leon Brittan, said that the U.S. tariff increase, if carried out, would break international trade rules and that the dispute should be resolved through the WTO's

See SANCTIONS, Page 9

#### AGENDA

## Ukraine Will Shut Chernobyl Plant

KIEV (AFP) - The Ukrainian government announced Tuesday that it would close the Chernobyl nuclear power station, where a reactor explosion in 1986 resulted in the world's Worst civilian nuclear catastrophe. One reactor, which was closed after a fire in 1991, will not be reopened. Two

others will be closed in 1997 and 1999.

Another, which exploded nine years

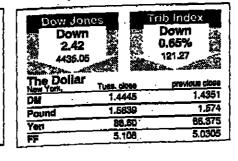
ago, has been closed since then. The government made the announcement at a meeting with a negotiating team from the Group of Seven, a member of the delegation said.

PAGE TWO New Look From an Old Tomb

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Page 4. International Classified SPONSONED SECTION

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#### Tasting Democracy, Kuwaitis Savor Next Course child as the legislators discussed embezzlement charges

By Nora Boustany Washington Post Service

KUWAIT CITY - It was not the House of Commons or the U.S. Congress, but there was lively parliamentary debate as Kuwaiti legislators mounted a melodramatic defense of the constitution against intrusions by the country's royal rulers.

The House speaker, Ahmad Saadoun, chided the foreign minister, Sheikh Sabah al Ahmad al Jaber as Sabah. a member of the royal family, as one would an unruly

against the ruling emir's cousin, a former oil minister. Sheikh Sabah, who had aroused the speaker's fury by suggesting that the Kuwaiti people were bored by the rambling debate and the bluster in the assembly, bent his head and examined his worry beads. Nearly five years after the Gulf War began, the street

signs removed by the Kuwaiti resistance to confuse Iraq's invading forces are in place again, but the promise of the ruling Sabah family to placate the population with democracy is still fragile.

The struggle going on now between the legislature and

the government of Sheikh Jaber al Ahmad as Sabah, the emir, will very likely test the limits of the rulers' tolerance for a true system of checks and balances and define boundaries for the legislature's attempt to exercise democratic controls in a region where democracy is rare.

Political parties are still banned in Kuwait, where Parliament has been shut down by the emir for a total of Il years since it was established in 1963 and women have not been given the right to vote. The pretext given by an adviser to the emir was that women would magnify the

See KUWAIT, Page 9

## Smugglers Help Keep Iraq's Bazaars Humming

By John Lancaster Washington Post Service

BAGHDAD -- Amid the hubbub of Baghdad's Sharja market, one can see the leaks in United Nations trade

As buses growl and street vendors ladle yogurt from ice-filled aluminum washtubs, shoppers browse among tables stacked with smuggled goods: light bulbs from Romania and Spain, glassware from Bulgaria, cutlery from Germany and Japan, fireworks from China, pesticides from Jordan, glue guns from Taiwan.

The sanctions, renewed again Friday by the UN Security Council, bar the export to Iraq of everything but food, medicine and other humanitarian goods. But, somehow, a lot of other merchandise is making its way to

"Basically, everything is available in the market," a UN official said, "You have computers available, even 486 computers, which did not exist when the sanctions

were imposed. Also satellite dishes." The embargo has caused misery among ordinary Iraqis, but there is every indication that smugglers are prospering: The illicit trade in Iraqi oil products has neen well documented in recent months, while luxury items

and consumer goods are in ample supply, at least for

those who can afford them. The bustling black market helps explain why Iraq has continued to function, albeit at a subsistence level, in spite of the sanctions. They were imposed after Bagh-

dad's 1990 invasion of Kuwaii and bar the country from exporting the oil that was its economic mainstay. traq has also benefited from surprisingly efficient farm production and the rebuilding of much of its war-dam-

aged infrastructure. The smuggling trade yields obvious political benefits

See POROUS, Page 9

Royal Resting Place/Treasures of a Pharach's Sons

## In a Newfound Tomb in Egypt, A Fresh Look at Ramses II's Era

By John Noble Wilford New York Times Service

AMSES II, one of ancient Egypt's greatest pharaobs, is said to have fathered more than 100 children, including 52 sons. Archaeologists have now discovered an enormous mausoleum with at least 67 chambers, the largest tomb ever explored in the Valley of the Kings, and they think this was the resting place for most of those roy-

Working their way through a narrow entrance in the limestone hillside, archaeologists were astonished to find a central hall with 16 pillars, a passageway to a statue of the god Osiris, and other corridors leading to many separate cham-bers. In the dim light, they could limose wall decorations and alabaster fragments carrying inscrip-tions with the names of four sons of Ramses, and sarcophagus pieces, mummy fragments and statuary strongly suggesting that the tomb was used for their burials.

The sons never attained the power of their father, whose reign lasted 66 years, and their elaborate burial place is not likely to yield treasures similar to those in the tomb of Tutankhamen, the young king Tut. But the newly explored tomb, archaeologists said, prom-ised invaluable insights into Egypt's royal family at a crucial period in ancient history.

The discovery was described on Monday by Kent R. Weeks, a professor of Egyptology at the American University in Cairo, who directs a project to map the monuments at the ancient Egyptian capital of Thebes, 300 miles (485 kilometers) south of Cairo. The tomb is part of the necropolis. known as the Valley of the Kings, where monarchs and nobles were buried from 1600 B.C. to 1000 B.C. The site is on the west side of the Nile, across from the ruins of Karnak and Luxor.

"It's like no other tomb I know of anywhere in Egypt," Mr. Weeks said in a telephone interview.

OST ancient Egyptian tombs consist of only a few chambers, and these are small and laid out along a single axis. Tomb 5, as the new find is designated, not only has at least 67 chambers arrayed in a complex plan, but stairs and sloping corridors — yet to be explored — apparently lead to even more rooms on a lower level. These lower rooms may be the actual burial chambers, Mr. Weeks said, and the total number of could exceed 100.

BEIJING - China will hold

a regional six-nation conference

next week to outline the first

cooperative strategy to curb the

booming Southeast Asian drug trade, a Chinese official said

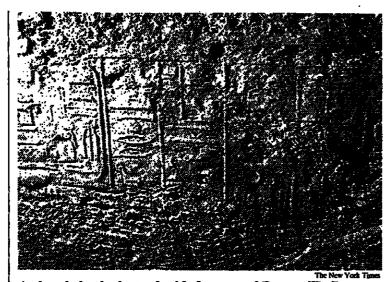
The May 25-27 conference

will bring together ministers

from Burma, Cambodia, China,

Laos, Thailand and Vietnam. as

Tuesday.



An inscription in the tomb with the name of Ramses II's first son.

Peter Dorman, an archaeologist from the University of Chicago who works across the river at Luxor and has visited the site, praised the discovery as "a very significant find, very impressive and certain to give us a much clearer picture of the family of Ramses II." He also noted that the tomb's architecture was "completely unlike any other tomb" in Egypt.

David O'Connor, an Egyptologist at the University of Pennsylvania's University Museum, said the grandeur of the tomb complex seems to say something important about the status of royal princes during the Ramses reign." Princes usually rated much more modest burial places.

Mr. Weeks wondered if there could be other multiple burials for the families of other pharaohs that have gone undetected.

"Tomb 5 raises many questions about what else the Valley of the Kings and other areas at Thebes may have to offer," Mr. Weeks said in a statement issued by the American University of Cairo. "It is an entirely new type of New Kingdom burial structure."

Egypt and a large part of the region in the 13th century B.C. were dominated by the long reign of Ramses II. He was one of the most powerful rulers in antiquity and a prolific builder of monumental architecture. His empire extended from Libya east to the valleys of the Tigris and Euphrates rivers, from Turkey south to Sudan. His charioteers fought many battles against the Hittites, archenemies in what is now Turkey and Syria. Tradition has it that Ramses was pharach at the time of the Exodus of the Israelites from Egypt.

According to the Book of Exo-

China Moves to Curb Drug Traffic

United Nations International

Drug Control Program, to dis-

cuss ways to combat traffick-

ing, said a spokesman for the

National Narcotics Control

China is to be represented by

Tao Siju, the minister of public

security and director of the Chi-

nese drug commission, the

Each nation is to send a dele-

sookesman said.

Verse 5, it says: "And all the first-born in the land of Egypt shall die, from the firstborn of Pharaoh that sitteth upon his throne, even unto the firstborn of the maidservant."

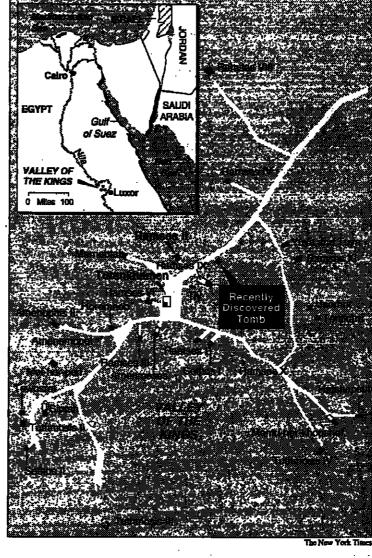
The eldest son of Ramses II was named Amon-her-khepeshef. He is one of the sons whose names are inscribed on the walls of Tomb 5.

place in the necropolis, 100 feet (30 meters) from the tomb of Ramses II himself and not far from King Tut's. In fact, when the English archaeologist Howard Carter excavated Tut's tomb, he unknowingly piled dirt and debris over Tomb 5's entrance, further obscuring it.

That entrance was discovered once in 1820 by an English traveler, but he explored no farther than the three outermost chambers, which were unprepossessing and had been damaged by floodwaters. In the 1980s, Mr. Weeks and other archaeologists rediscovered the hidden entrance by studying the diaries of 19th-century travelers. They also followed the lead of an ancient papyrus now in a museum in Turin. It described the trial of a thief in 1150 B.C. who was caught trying to rob the tomb of Ramses II and also one "across the path," presumably the one now called

UTTING test trenches on the slopes near the Ramses tomb, they uncovered the narrow entrance and did some preliminary investigation. But debris washed in by floods hampered exploration. Only in February was Mr. Weeks and his team able to remove debris blocking the door leading off the grand hall with 16 pillars.

Once through the door, they dus, the first son of the pharaoh | found less water damage and one | was killed by God. In Chapter 11, \ surprise after another. They fol- | ue fragments, jewelry, beads, pieces



lowed the passageway leading past 20 doors of smaller chambers and ending at the statue of Osiris, god of the underworld. Two branching corridors each had 20 doors to other rooms. The smallest rooms were about 10 by 10 feet; the largest was 60 by 60 feet.

This was when Mr. Weeks realized he had entered, as he said, "the largest tomb in the Valley of the Kings and maybe the largest ever found in all Egypt." It was certainly more complex and extensive than the standard royal tombs, which are simple structures with a single corridor leading to a main burial chamber.

In an interview with the Reuters news agency in Cairo, Abdelhalim Nourredin, head of Egypt's Su-preme Council for Antiquities, described the structure and the many chambers as magnificent, even if some of the rooms were badly damaged by water, and important because of its "unique design and size from a crucial period in ancient history." The Egyptian government worked with Mr. Weeks in the ex-

Mr. Weeks speculated that the rooms on the main level were used for religious ceremonies and making offerings to the dead, with the lower rooms set aside for the buri-

The floors were littered with thousands of pieces of pottery, statof wooden furniture, stone sarcophagus fragments, inscribed stone vessels, bones from offerings of cooked meat, and pieces of mummified human bodies. Mr. Weeks said there was no indication that looters had penetrated the back chambers or been anywhere in the tomb since antiquity. . .

Close examination revealed the inscribed names of four sons of Ramses: Decorations in the small entrance rooms included the names of Amon-her-khepeshef, the firstborn, and the second son, whose name was, in effect, Ramses Junior. A piece of alabaster jar bore the name and titles of another son, Sety. Outside the entrance, archaeologists found a piece of limestone on which was written the name of Mery-amon, the 15th son.

Historians know the names of all 52 sons, but little else about them. They had previously been able to identify the burial sites of only two of them. Memepteh, the 13th son, succeeded his father as pharach and so built his own tomb in the Valley of the Kings. The fifth son, Khaemwase, is thought to be bur-ied at Saqqara, south of the pyra-mids of Giza.

It is entirely possible, Mr. Weeks and other archaeologists said, that all 50 of Ramses's other sons were laid to rest in Tomb 5. Explorations are scheduled to be resumed in

France Moving

To a 10 Digit

Phone System

The Associated Press

numbers in France will

grow from eight to 10 digits starting in October 1996, the public phone company France Telecom an-

nounced Tuesday.

France will be divided

into five zones instead of

two, and each will be as-

signed a two-digit area

code that will be added to

existing eight-digit num-bers. The codes will be 01

and the international code

used to call abroad from France will change to 00

PARIS - All telephone

## Zaire Hunts Down **Feared Carriers**

## 2 Are Quarantined in Struggle To Keep Virus Out of Capital

an intensive manhunt, health rus much more likely, Dr. officials Tuesday tracked down Ralph H. Henderson, an assisa riverboat captain and a nurse tant director-general of the orwho they feared might have ganization, said. "We were not brought the deadly Ebola virus prepared for that," he said. from the countryside into the teeming capital of Zaire.

Health officials were strugcity of 600,000 that has been under quarantine for a week. Kinshasa, the capital, has 6 million people and is only 600 kilosoperates (375 miles) away.

Dr. Abdou Moudi, the World

The incubation period of

Health Organization's representative in Zaire, said the nurse might have been in contact with infected individuals in Kikwit. She fled that city a few days ago and came to Kinshasa to be with her family.
"Clinical examinations re-

vealed the lady had typhoid fe-ver," said Paluku Kalenga, a member of a Zairian crisis committee. "As a precaution, we have decided to keep her under observation until we have the outcome of further tests."

The captain was treated for diarrhea at a Kinshasa hospital alized his symptoms were similar to those for Ebola. He and the nurse are expected to be quarantined for 28 days.

The WHO says it expects the number of cases in the epidemic to rise sharply in the next few

So far, there have been 84 confirmed cases, including 77 deaths. The number of cases has quadrupled every 10 to 12 days for the last three weeks. the United Nations organiza-

WHO said they expected the total to rise as an international team of epidemiologists identi-fied cases in Kikwit, the focus of the outbreak, and surround-

ing areas.
The WHO said the number would surely rise over the next few weeks because epidemiologists had found a higher density of inhabitants in houses to which Ebola patients had fled from local hospitals.

Instead of the one to two people the epidemiologists had ex-pected to find living in the same

Compiled by Our Staff From Dispatches room, there were 5 to 10 people KINSHASA, Zaire - After making transmission of the vi-

The case totals are based largely on finding patients who had been treated in hospitals. gling to contain the virus to the But many other people, includregion surrounding Kikwit, a ing those who were in contact with known cases, did not 20 to the local hospitals because infection-control practices were

> Ebola virus, one of the deadlies known, is 2 to 21 days. The virus, for which there is no vaccine or cure, is spread through close contact with blood or bodily fluids and kills by caus-ing uncontrollable bleeding. As many as 9 out of 10 people who contract the disease die.

"There must be a lot of people who are incubating the disease at this point, and we are worried about a new generation of cases," Dr. Henderson said. "We are expecting a steep in-crease in the number of cases."

There has been a tightening and released before doctors re- of quarantine and other measures to shield Kinshasa from the epidemic.

Authorities have tightened roadblocks on highways from the outbreak zone and issued leaflets and graphic posters telling people not to touch corpses or open wounds.
The crackdown followed re-

ports that people from the infected area were bribing soldiers at roadblocks to reach Kinshasa. The governor of the capital, Bernadin Mungul Diaka, said the blockade was Last week, officials of the now being strictly enforced. In a sign of hope, the WHO said four victims in Kikwit were

convalescing and that one, a doctor, had fully recovered. Health workers fighting the virus are grappling with burial rituals, in which families wash the dead.

"Despite current practice in Zaire, we would strongly advise anyone against washing the bodies of people who have died from Ebola virus," Dr. Dongo Membo, deputy director of the Ngaliema clinic, said Tuesday. (AFP, Reuters, AP)

## Ports Worldwide Tighten Screening

RABAT — Airports and sea-ports worldwide have rushed to health officials said Tuesday. tighten screening for the deadly Ebola virus that has broken out in Zaire, with some nations im- similar tightening at border

started monitoring certain All foods imported from plane passengers, following Zaire will be carefully scrutisteps taken by Belginm, Zaire's nized at land and sea borders, former colonial ruler, and

**Egypt** Angola partly closed the border between Zaire and its northern Cabinda enclave. Other that all passengers from Zaire neighbors, Sudan and the Cenand neighboring countries tightened border checks, and South Africa has begun monitoring travelers from Zaire.

to prevent the spread of the

tremely insignificant," it had instituted measures in line with international health regulations and that Moroccan nationals planning to travel to Zaire had been urged to defer their trips.

Airline pilots flying to South countries would ha Africa from Zaire have been go medical checks. asked to be on the alert for ill

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passengers in case they are infected with the deadly virus.

In Ivory Coast, the Health Ministry announced Tuesday a posing bans on imports from points in the screening of all travelers from Africa, adding that anyone showing signs of Philippines, Turkey, United Arab Emirates and Yemen All foods imported from All foods.

All foods imported from the ministry said, adding that a ban on wild meat, particularly monkey, was now in force.

Turkey announced Tuesday tral African Republic, have would have to undergo a medical examination at immigration checkpoints.

Egypt's Health Ministry has Morocco's Ministry of Public also announced that passengers that "all necessary measures" from Zaire would be screened and here taken to minister and that these changes and that these changes and that these changes are seened and that these changes are the seened and that these changes are seened and that the seened are seened as a se had been taken to reinforce and that those showing symphealth control at border points toms of the virus would be quarantined.

In Asia, Japan and South Ko-The ministry said in a communique that while the risk of sures. Japan's Health and Welan epidemic remained "exfare Ministry instructed quarantine stations Tuesday to tighten inspections on travelers arriving from Zaire.

South Korea announced Monday that visitors arriving from Zaire and its neighboring countries would have to under-(AFP, Reuters)

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## TRAVEL UPDATE

## **Hungary Protests Tourist Crime Rap**

BUDAPEST (Reuters) — The Hungarian Foreign Ministry said that a British Consumers' Association tourist magazine was wrong when it branded Hungary as one of the top crime spots for tourists, saying that in reality the opposite was true. The survey of 16,000 readers in one of the association's magazines last week said that of 34 British visitors two, or 5.9 percent, had been mugged in

"Even laymen will accept that this survey was statistically nonrepresentative," said a Foreign Ministry spokesman, Gabor Szentivanyi. Hungary had 40 million foreign visitors last year, including 21 million tourists, and 14,000, or 0.035 percent were hurt in some way by crimes, he said. Of these 14,000 cases 13,242 were simple theft and there were 108 robberies.

"Considering these numbers, Hungary is one of the safest countries in the world," Mr. Szentivanyi said.

The European arm of the U.S. car rental company Avis Inc. has signed a cooperation contract with Tarom, the Romanian state airline. Avis Romania, owned by Ion Tiriac, the tennis player-turned-banker, is licensed by London-based Avis Europe. The agreement, which is expected to be operational this week, gives Tarom passengers advance reservations.

Scandinavian Airlines System says it has been forced to stop its flights to Kiev, the Ukrainian capital, because to a 15 percent tax levied on all its earnings on the route. The tax; imposed by the Ukrainian government, was to be collected from all ticket sales regardless of whether they were sold in Ukraine.

Foreign tourists are staying away from China's famous Three Gorges along the Yangtze River because of shoddy service on cruise ships, a Shanghai daily said Tuesday. Fifty-nine tourist boats now steam through the gorges that are threatened by the world's largest dam, and they are clogging the narrow waterway and putting off visitors, the Wen Hui daily said. Now the government is stepping in, the newspaper said, telling local governments to clean up the cruise industry by the end of June. (Reuters)

# Pacific Western University

In 1993, Burma, China, Laos, Thailand and the UN panel

signed a memorandum of un-

derstanding in New York,

adopting a joint strategy to

drug trade.

The aim of the meeting next week is to build on that strategy and to bring Cambodia and

Vietnam into the fold, the Chi-

Southern China - which

shares borders with Burma,

Laos and Vietnam - has be-

come a major route for the traf-

ficking of drugs produced in

Southeast Asia to the interna-

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nese spokesman said.

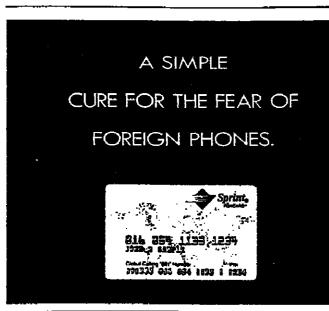
tional market.

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#### for the Paris region, 02 for the northwest, 03 for the northeast, 04 for the south-east, and 05 for the south-The prefix 16, used for calling from Paris to the provinces, will disappear

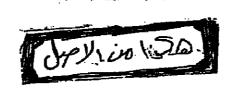
The current system is near saturation, France Telecom said, and the change should provide enough un-assigned phone numbers so no new system will be required until 2040.

from 19.



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### THE AMERICAS

# Republican Budget Plans Are Losing Support, Poll Shows

By Richard Morin Washington Post Service

WASHINGTON -Not even the promise of a \$350 billion tax cut appears to be enough to entice a majority of Americans to support plans by congressional Republicans to balance the federal budget within seven years by slashing government programs and spending, a Washington Post-ABC News survey suggests.

The poll found that 56 percent of those interviewed said they opposed the plan announced last week by Senate Republicans to climinate the Commerce Department, cut the growth in Medicare and Medicard spending and end more than 100 federal programs.

An even larger majority of 60 percent rejected the competing proposal by Republicans in the House, who would ax two additional departments, Energy and Education; eliminate more than 200 federal programs, and cut taxes by \$350 billion to achieve a balanced budget by 2002.

Away

From Politics

Arizona is the second state to

reinstate the chain gang, put-ting shackled prisoners to

work whacking roadside weeds and breaking rocks. On May 3, Alabama became the first state in decades to bring back the chain gang. (AP)

• The lawyer for Timothy J.

McVeigh, a suspect in the bombing in Oklahoma City, will seek a 30-day delay in the

demolition of the shattered Alfred P. Murrah federal

building. The lawyer, Stephen Jones, said in a television in-

terview in Oklahoma City that

the delay would allow Mr. McVeigh's legal team access

to the building that was de-

stroyed in the April 19 bomb-

 A foundation in Philadelphia that solicited funds from non-

profit groups with the promise

of doubling their money with-in months has filed for bank-

ruptcy protection. The Chap-

ter 11 filing could affect hundreds of charities, includ-

ing museums and universities,

that had placed money with the Foundation for New Era

The prisoner who blud-geoned Jeffrey Dalmer and another killer to death has

Philanthropy.

There also was more good news in the poil for President Bill Clinton and the Democrats. Mr. Clinton's popularity has rebounded sharply in recent weeks. Fifty-six percent of those interviewed for the survey said they approved of the job that Mr. Clinton was doing, up from 46 Dercent in early April April 1988. percent in early April.

Americans appeared to be particularly impressed with the way that Mr. Clinton handled the aftermath of the bombing in Oklahoma City, with more than eight out of 10 expressing

The survey also suggested that President Clinton's nomination of Henry W. Foster Jr. to be surgeon general was less controversial with most Americans than with lawmakers on Capitol Hill. According to the poil, 45 percent of those interviewed said the Senate should confirm Dr. Foster, while 29 percent disagreed and the rest expressed no opinion.

Among those who said the Senate should re-

plus or minus 3 percentage points.

The poll also found that overall support for Republicans in Congress may be waning.

Americans were evenly divided on the question of who they trusted to better handle the country's biggest problems: 42 percent said they trusted Mr. Clinton more than the Republicans. while 42 percent expressed more confidence in

Last month, nearly half — 49 percent — of during the height of public support for Republi-those interviewed said they trusted Republicans can efforts to slash spending. in Congress with the country's biggest problems. while 41 percent said they trusted Mr. Clinton.

The Republicans' apparent diminished standing was mirrored in initial public reaction to

proposal - a view shared by seven out of 10 selfdescribed Democrats, six in 10 independents and more than four out of 10 Republicans.

In addition, the poll suggested that the public's appetite for big cuts in welfare and military spending may be diminishing.

Fifty-two percent of those interviewed said they opposed any further cuts in welfare spend-ing to reduce the federal deficit, a view shared by just 34 percent of those interviewed in January

Similarly, six out of 10 people interviewed said they opposed further reductions in military spending, a view shared by four out of 10 just five months ago.

**CIA Head** 

Replaces

Leadership

By Tim Weiner

WASHINGTON - The new

head of the CIA has appointed

a leadership of outsiders to run

the troubled spy service, but he warned that the appointments by themselves would not solve

the agency's problems.

As he had promised, the di-

rector of central intelligence.

John M. Deutch, appointed an

entirely new group of people

who have experienced the CIA

from the outside — primarily as staff members in Congress, the

National Security Council and

the Pentagon — to take over top positions. Their job, he said,

will be to make the Central In-

telligence Agency a more effec-

tive, accountable, responsible

He also said he was creating a

search committee to find a new

chief of covert operations. The

panel will try to find a new

direction as well as a new direc-

tor for that segment of the agency, which operates clandestinely abroad and has been the

source of a series of scandals

The committee includes

Nora Slatkin, whom Mr. Deutch appointed on Monday as executive director, the third-

ranking post in the agency. No

woman ever has held a position

The other members of the

President Bush's national security adviser; John McMahon,

deputy director of the CIA un-

der President Reagan; James

Lilley, a former ambassador to

South Korea and China and a

CIA station chief in Beijing,

and E. Norbert Garrett, also a

Mr. Deutch confirmed that

he would nominate George J.

Tenet, director of intelligence

programs at the National Secu-

rity Council and a former staff

director of the Senate intelli-

gence committee, as the deputy director of central intelligence.

former station chief.

and embarrassments.

that high at the CIA.

and happier place.

#### POLITICAL NOTES

#### Triumph Nears for States' Righters

WASHINGTON - The chairman of the Senate Finance Committee has handed Republican governors a political triumph, proposing a U.S. welfare reform plan that would turn over to the states about \$17 billion every year with almost no strings attached.

"I am going to give to the states as much flexibility as I have the votes to give them." said Senator Bob Packwood, Republi-can of Oregon. He said Monday that he intended to turn over welfare funds to the states as a lump sum payment, or block grant. "They cannot use it for airport tarmac or radar, but

short of that I am going to have it as flexible as possible."

Mr. Packwood, whose committee has jurisdiction over the main welfare program. Aid to Families with Dependent Children, said he is working on legislation that would jettison the federal policymaking role in welfare and give the states near total freedom to innovate and experiment with welfare.

"I'm willing to say to the states, O.K., we have failed." Mr. Packwood said. "Can I guarantee that states will be successful? No. Some will, some won't. Is it worth the risk of trying?

#### Waco Testimony, From All Sides

WASHINGTON - The House Judiciary Committee chairman, Henry J. Hyde, Republican of Illinois, says that witnesses at hearings next month into a 1993 assault on a religious compound near Waco, Texas, would probably include believers in an alleged federal conspiracy to intentionally kill the Branch Davidians who stockpiled weapons there.

Allowing conspiracy theorists to testify, Mr. Hyde said. would give a therapeutic but controlled airing to suspicions that support an anti-government paranoia among some indi-

"Otherwise, they'll think we're part of the conspiracy, too," he said.

Mr. Hyde told Washington Post editors and reporters during a luncheon interview that he did not want the Waco hearings "to turn into an ergy of recrimination and vitupera-

tion because it can easily." "Serious mistakes were made, and I think it's therapeutic to recognize them." Mr. Hyde said, "but let's not characterize all of our law enforcement agencies as monsters ready to shoot from the hip all the time. (WP)

#### State Department Awaiting the Ax

WASHINGTON - A House of Representatives committee has approved a bill ordering a sweeping reorganization of the State Department and slashing spending on its operations and on U.S. foreign aid.

The International Relations Committee passed the bill by a party-line vote of 23 to 18 on Monday, sending it to the full House for consideration expected next week. A similar measure will be considered by a Senate committee this week.

Both bills would abolish the Agency for International Development, which runs the U.S. foreign aid program, the

Arms Control and Disarmament Agency and the U.S. Information Agency, which includes the Voice of America radio network. The State Department would take over much of their work. Officials of President Bill Clinton's administration strongly opposed the plan, but Republicans said it would eliminate

agencies that are relics of the Cold War and eventually save money. Apart from its shake-up of the U.S. foreign policy apparatus, the bill also set much reduced spending levels for the State Department and its agencies and foreign aid, setting a level of \$16.4 billion in the fiscal year starting on Oct. 1, a reduction of \$1 billion from the current year.

Opponents complained that the budget cuts would have a devastating effect on aid to developing countries. (Reuters)

#### Quote / Unquote

President Bill Clinton on the punitive tariffs on Japanese cars: "We can't anymore deny this or sweep it under the rug. We have to go forward and we are going to do that." (AP)

Masaharu Tanaka, the executive vice president of Toyota: "The U.S. government conducts its trade policy in a coercive unacceptable."

changed his plea to no contest and will remain incarcerated for the rest of his life. Immates from the Arizona Department of Corrections working on the chain gang to clear weeds from a highway.

## Witness Counters Claim on Simpson Sock Stains

bedroom were splattered with countering a defense claim that the blood was planted by the

heide

police.
The California Department of Justice scientist, Gary Sims, who is the second major DNA witness to testify, also suggested that the blood was on areas of the socks where the blood would have splashed up from the ground.

He did not immediately testify about DNA tests on the socks and other items. But another witness has testified that DNA tests virtually ensure that some of the blood on the socks came from one of the murder

Under questioning from a prosecutor, Rockne Harmon, Mr. Sims addressed defense contentions that the blood was planted on the sock by the po-

backed up its allegation by notmicroscopic drops of blood, a ing that no one noticed the scientist testified Tuesday, blood when the socks were blood when the socks were seized the evening after the

ficult to see any of the blood, and that only after he looked at the socks through a low-power microscope did he realize the full extent of the stains.

The more time you spend looking at them," said Mr. Sims, you really do see a lot of number of small stains."

someone walking through Those stains would either be both on the outside or both on

"Depending on which foot you put the sock on?" asked Mr. Harmon.

But Mr. Sims said it was dif-

stains on there. There's a large He also suggested that the blood was in a logical area for

the inside," said Mr. Sims.

"That's right," said Mr. Sims.

ruling by the judge cut short the testimony of Dr. Robin Cotton, the first DNA witness.

In a setback for Mr. Simpson's defense, Superior Court Judge Lance A. Ito said that Dr. Cotton, the lab director of Cellmark Diagnostics, did not have to give statistics of genetic matches to accompany her testimony that a blood stain found on the steering wheel of Mr. Simpson's Bronco came from

more than one person. The defense, suggesting that some mystery person smeared blood on the steering wheel, has indicated that statistics show that more than a third of the world's population could have contributed to that stain. Mr. Simpson's attorney had wanted to question Dr. Cotton about these numbers.

But Judge Ito allowed prose-cutors to put off the matter for

lice to frame Mr. Simpson, the Mr. Sims began what will now and elicit that statistical heard Dr. Cotton's disclosure LOS ANGELES — A pair of former professional football very likely will be several days evidence from another witness that some figures were based on ocks found in O. J. Simpson's star and actor. The defense of extensive testimony after a later in the case. Dr. Cotton was a genetic comparison with just dismissed after six days of testi- two other black men. mony, although she may still be

> His laboratory did much of the DNA testing of blood and fiber samples, including blood point by bringing them out. found on a glove discovered behind Mr. Simpson's house, that she did not consider the

recalled. Mr. Sims then was

show that the glove was covered in a mixture of blood from both

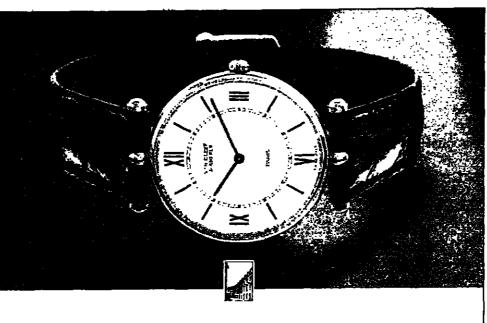
Mr. Simpson's DNA to murder, ald L. Goldman.

committee are Brent Scowcroft,

Although legal analysts said the new figures, elicited by a defense attorney, may be misleading, they agreed that the defense had scored a significant

Dr. Cotton said, however. Prosecutors have said the tests figure "a critical feature" of her show that the glove was covered calculations.

Mr. Simpson is charged in the June 12 knife slayings of his On Monday, jurors bom-former wife, Nicole Brown barded with statistics linking Simpson, and her friend Ron-



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## FBI Kept Tabs on AIDS Action Group

By David W. Dunlap New York Times Service

NEW YORK — The New York office of the FBI kept watch on Act Up, the AIDS advocacy group, during the years that it staged some of its most conspicuous demonstra-tions against government policy on AIDS, according to a file supplied by the bureau to the supplied by the bureau to the Center for Constitutional

Rights.
Of the 199 pages the FBI compiled on Act Up, 22 were sent to the center, which resent to the quested the data under the Freedom of Information Act.

To judge from what little was made public, the file amounts mostly to newspaper clippings.

In response to a request for information, the FBI also said it had hundreds of pages of files on the American Jewish Committee, American Jewish Congress and Clergy and Laity Concerned, said Michael E. Deutsch, legal director for the center, a group that specializes in civil rights cases. The bureau also reported that there were small files on

such organizations as the Ceu-

ter for immigrants' Rights and Gay Men's Health Crisis, Mr. Deutsch said.

15 EXTRA

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"These are public groups that don't advocate violence," he said. "One can only speculate on why the FBI is collecting documents on these groups when they say they weren't able to do the same thing for militias and violent right-wing groups."

James K. Kallstrom, the assistant director in charge of the New York FBI office, said, "The answer is, we're not."

There is no "investigative interest" in Act Up, he said. Asked if that meant surveillance, Mr. Kallstrom answered; "Meaning anything. There is no interest whatsoever."

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By Andrew Pollack New York Times Service

KAMIKUISHIKI, Japan — Shoko Asahara prophesies that a huge conflict will destroy the world in 1997, but that his enlightened followers will survive. But with Mr. Asahara's arrest Tuesday, Armageddon appears to have come two years early for his Aum Shinrikyo cult — and it is far from clear whether the

The capture of the charismatic guru is expected to deal a severe blow to Aum Shinrikyo.

## Cult Case Promises to Be in Court For Years

ASSESSED IN CONTROL OF CONTROL OF

TOKYO - Japan's methodical judicial system could take vears to hand down a verdict on the Aum Shinrikyo cult accused of carrying out the nerve-gas attack on Tokyo subways.

But the country's courts may hold the group's leader. Shoko Asahara, and some of his followers for years in a detention center before a final verdict is

The police and prosecutors have a total of 22 days to question Mr. Asahara. After that period, state prosecutors must decide whether to indict him.

In Japan, which abolished the jury system in the 1930s. prosecutors - not a grand jury - indict suspects. Judges hand down verdicts and sentences.

Even if indicted, a defendant may be released on bail. But the court that receives custody of the defendant may refuse to release one who it fears may flee or destroy evidence and may keep them in a detention center.

"In this case, it's highly unlikely that the court will grant bail, except for serious illness," a Justice Ministry source said. They've been doing nothing

gestroing evidence." in the Tokyo Distrut Court, could last at least three years given the complex nature of the case, judicial sources said. If either side appeals, the additional session could last another three years.

the sarin nerve gas attack on the status and allows the sect to of their leader.

Even if Aum Shinrikvo survives as one more alternative religion, the imprisonment of Mr. Asahara and many of his top lieutenants would cripple the cult's ability become what Mr. Asahara had apparently envisioned: a "sovereign state" with its own government and

the ability to wage war, be it before, although there do apwith guns, bacteria or nerve gas. The Ministry of Education

Defendants could accuse the

tional rights of religious sects.

Supreme Court. That could

mean a wait of four or five years

before final judgment, the

All told, the final verdict may

be more than 10 years away.

courts 19 years to reach a final

conclusion in the 1976 Lock-

heed payoffs scandal, it was not

until February that the Su-

preme Court handed down the

final judgment, a rejection of a

1988 appeal by the defendants.

sources said.

own property. Followers would be able to continue to practice the religion, however.

But the arrest of the 40-yearold leader in the cult compound here is far from the end of Aum Shinrikyo, which claims 10,000 members and 24 branches pear to have been many defections as well in the last two ing to remove its designation as still have sarin or some other

being charged with conducting designation confers tax-exempt to seek retribution for the arrest

"I am relieved, but the trouble has not ended yet," said Yoshio Ando, a businessman in this village at the foot of Mount Fuji that has played the unwilling host to Aum Shinrikyo for

group of crazy people." throughout Japan. Many of the cult is compound in cult members are carrying on as Kamikuishiki on Tuesday evening, people continued to live and work in the No. 6 Satian himself against the charges or, building, even after Mr. Asa- if he fails, exert his influence said it was prepared to move to months. What people most fear hara was escorted away by po- from prison. Or, if he is executweaken Aum further by apply- is that some of Aum members lice officers from the concealed ed, he may become a martyr room between the second and whose mantle is assumed by ana religious organization. That weapons and will now use them third floors in which he was other strong leader.

meditating. A recording of Mr. Asahara's holy song, to which cult members are made to listen over and over, could be heard emanating from a smaller

building nearby.

The big question is how well the organization can function without its guru.
It is possible that Mr. Asa-

At the cult's compound in hara, who police said had denied involvement in the sarin attack, might be able to defend

Almost equally significant is what happens to the top tier of leaders around Mr. Asahara. Most Aum members are said to be somewhat weak people, lost in the workaday world and seeking guidance. But the leaders are said to be extremely bright and tough. Many had advanced science degrees from prestigious universities.

In Kamikuishiki, a dairy farming village of 1,750 people, the arrest of Mr. Asahara was greeted with only partial relief.

"There are still believers in the compound," said a woman who lives very close to the building in which Mr. Asahara was found on Tuesday. The woman, who said she was too afraid to give her name, added, "I really hope the whole organi-zation is disbanded. I'd like to tear down the building so that nobody can live there any-

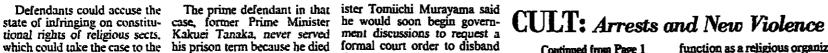
People in Kamikuishiki have a litany of complaints against the cult. They say the Aum members did construction work or chanted mantras at all hours of the night...

"When we went to talk to them, they played tapes chanting sutras so loud we couldn't even talk," said Toru Egawa, a village leader...

Since shortly after the Tokyo subway attack on March 20, the residents have also had to endure the presence of hundreds of policeman and reporters, as well as hordes of the curious.

"We want our village to go back to the way it was six years ago when there was nothing to disturb us," said Mr. Egawa, the village official.

Hideyasu Ozawa, a Kamikuishiki dairy farmer, said: "I really hope the organization disappears from the face of the



dications that Aum's sarin was The Ministry of Education impure or contained too much the Aum trials, prosecutors may and the local government, in isopropyl alcohol. demand the death sentence for this case Tokyo, have the right

hara and his aides, the govern- Fumihiro Joyu, the sect's ment began proceedings to despokesman. In a press confer-prive Aum Shinrikyo of its ence, Mr. Joyu denounced the status as a religious corpora- arrest of Mr. Asahara as relition. This would mean that it gious repression.

could not own property and would not enjoy tax benefits, but it could still continue to took it calmly, like Buddhists."

SRINAGAR, India - Indian authori-

ties reimposed a strict 24-hour curfew in

parts of the Kashmir city of Srinagar on

Tuesday and warned that violators would

again following the destruction of a Mus-

lim shrine last week.

easing of the controls.

violating the restrictions.

Aum had nearly 10,000 followers in Japan, and more than 20,000 abroad, mostly in Ruswhy the subway attack killed sia, and by all accounts ordionly 12 people and injured nary believers knew nothing 5,500. More than three liters of about alleged criminal activities by the sect. Many were attracted by its yoga classes, its borrowings from Buddhist teach-

scientific experimentation. The parcel bomb that ex-ploded Tuesday night was ad-Hiromu Nonaka, appealed to

"The case is not over, belent to that of mayor. Mr. Ao- cause some Aum members may shima was out of the building still have sarin and weapons." when his secretary opened the Mr. Nonaka said. "Aum membook-sized package, triggering bers should consider themselves Japanese nationals, part of a

One of the few top Aum offi-After the arrests of Mr. Asa- cials who was not arrested was

#### BRIEFLY ASIA

#### U.K. Trade Secretary, in Beijing, Sees Increased Thaw in Relations

BELIING (AP) - Trade Secretary Michael Heselune of Britain said Tuesday that his trade mission's visit to China had been a good start toward better Chinese-British relations, despite strains over Hong Kong. Both sides have a strong interest in Hong Kong's stability and prosperity after it returns to Chinese sovereignty in 1997, Mr. Heseltine said.

Mr. Heseltine's visit is the first by a British cabinet minister in two years. He is leading a delegation of 130 according to in two years. He is leading a delegation of 130 executives from large British companies, who estimate they have signed more than £1 billion (\$1.57 billion) worth of business deals in

China, including sales, technology-sharing agreements and joint-venture deals. "I think it's been a very good start to a new chapter in Sino-British relationships," Mr. Heseltine said. "It is quite appar-

ent that both governments look to the future when it comes to specific ideas and proposals."

He met Monday with Premier Li Peng, who reportedly assured him that Hong Kong would retain a high degree of autonomy and be allowed to continue its capitalist system. Mr. Heseltine said his reception was warm and that assurances from Mr. Li about Hong Kong were "welcome words."

#### Evans Cites Jakarta 'Oppression'

CANBERRA (AP) — Foreign Minister Gareth Evans said Tuesday that Indonesia maintained an "oppressive military presence" in East Timor, the former Portuguese colony it conquered and annexed.

He was commenting on claims by an Australian male nurse who said he had treated victims of torture, rape and beatings by Indonesian soldiers in East Timor while working there for two months this year.

There has been other evidence of a similar kind emerging in dribs and drabs over the years," Mr. Evans said. "The truth of the matter is that there is no visible progress towards the kind of reconciliation strategy that we would all like to see."

#### Hanoi Yields New Data on MLAs

HANOI (AP) - Vietnamese officials have turned over new information about the fate of American servicemen missing from the Vietnam War, a U.S. official said Tuesday.

More than 200 pages of maps, witness reports and analyses provided voluntarily by Vietnam's Defense and interior manistries represent a significant step in the effort to resolve the MIA issue, said Hershel Gober, deputy secretary of state for

"It's something they had to work extensively to put together," Mr. Gober said near the end of a two-day visit.

#### New Bid for Talks in Bangladesh

DHAKA, Bangladesh (AP) - The government has repeated an offer for talks with the opposition to end a political dispute that has paralyzed Parliament for more than a year, an opposition politician said Tuesday. Opposition parties accuse Prime Minister Khalida Zia's government of corruption, incompetence and election fraud.

Zillur Rahman, general secretary of the opposition Awami League, said Tuesday he received a call from a senior side to Mrs. Zia about the offer. Opposition parties had rejected an earlier bid, on April 17. Mr. Rahman said he would discuss the latest offer with other leaders before responding.

#### For the Record

Torrential rains that ended a five-month drought in Bangladesh flooded coastal areas and marconed 100,000 people. officials said Tuesday.

Forty-two people were killed when an interishand ferry caught fire and sank Tuesday about 115 kilometers (70 miles) southeast of Manila.

#### **VOICES** From Asia

Shoko Asahara, head of the religious sect Aum Shineleys. after he was arrested as a suspect in the March 20 gas attack in the Tokyo subways: "How could I, as a blind min have possibly done such a thing?"

Shen Guofang, spokesman for the Foreign Ministry in Beijing on the visit by a Philippine ship to the disputed Spratly Islands: "If the other side clings obstinately to its course and willfully takes dangerous actions, it must bear the full responsibility for any serious consequences." (Rement)

Chaiyaporn Nonspitakcharoen, an analyst with SFC Panance & Securities, on Fin Chakkapak, chairman of Finance One, as his company attempts to take over the Bank of Asia. the No. 11 commercial bank in Thailand: "He's always wanted to control a bank. It looks like his dream has finally come through."

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Japanese police detaining a member of Aum Shinrikyo during a raid Tuesday on the sect's compound near Mount Fuji.

Mr. Asahara and some of his to make court demands for dis-

tangled further if prosecutors ports. It could then require an-

In the opening statement of

followers, because the nerve-gas

lent of a first-degree murder.

decide to pursue sedition and

On the civil side, Prime Min-

other additional charges.

The case could become en-

the sect

banding sects.

This could take up to three

down a disbandment order, ac-

cording to Japanese news re-

the sect's assets, which would

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#### function as a religious organiza-Continued from Page 1

Impurities may be one reason premeditated, the U.S. equiva- years before the court hands sarin were used, diluted with another three liters of solvents. Such a quantity of sarin normally would have killed far ings, and its emphasis on other several years to liquidate

more people. dressed to Tokyo's governor, these Aum members not to seek Yukio Aoshima, an elected offi- revenge against the public. cial whose position is equiva-

the explosion. The secretary, Masaaki democratic society, and should Usumi, lost his left hand and act responsibly." right thumb in the explosion.

Kashmir Violence Leads to New Curfew

two of those, protesters burned effigies of Prime Minister P.V. Narasimha Rao. Police sources said a 24-hour curfew had also been imposed Tuesday in the town of Bhaderwah in southern Jammu following demonstrations set off by the killing of two

be fired on, after violent protests flared up separatist guerrillas by police. The sources said the guerrillas had thrown a grenade at a Hindu temple, Police sources said a strict curfew had wounding a priest and a member of the security forces. been imposed down on eight areas of the city of 1 million people after demonstra-

A spokesman said the army had comtors clashed with the police following an pleted its operations in the town of Charar-i-Sharief, which was gutted by fire last week along with its 15th century shrine Residents said police vehicles with loudspeakers toured areas where the curfew to the patron saint of Kashmir, Sheikh had been reimposed, warning that troops Nooruddin Wali, and was handing control had been issued orders to shoot at anyone of the area over to the police.

The police fired tear gas and used bam-boo sticks Tuesday to disperse stone-throwing crowds in at least 11 locations in The destruction of the shrine, one of Kashmir's most popular pilgrimage desti-nations, has inflamed residents of the Himalayan region. A strict round-the-clock curfew in place since Thursday has failed Srinagar, police sources said. Srinagar is the summer capital of India's only Muslim-majority state, Jammu and Kashmir. The sources said there were also at least

to stop street protests and arson attacks. The army, fighting a five-year insurgenfive peaceful demonstrations in the city. At cy in Kashmir against Muslim separatists,

> made by women who recently employers."

Sulexco, a part of Ho Chi Minh City's Labor, Invalids and Social Affairs Department, originally planned for the 16 workers remaining in Lebanon

Hanoi Seeks to Repatriate Workers return home on an individual basis because they need time to

> The Sulexco had a contract to provide laborers for the Oversea Link International Company in Lebanon. Seventeen Vietnamese women were sent last year, and they have been work-

Several women have written from Lebanon asking for the government to help them es-cape from "this hell."

The women complained that

#### A New Mussolini Won't Be Benito

ROME — Alessandra Mus-solini, the granddaughter of Italy's wartime fascist dictator, has had to shelve plans to call her first baby Benito like its greatgrandfather, after being told she was expecting a girl.

cumbed to curiosity and found that she was expecting a girl.

had returned to Vietnam. "We have sent all the money HANO! - Sulexco, a labormake arrangements with the export service company in Ho Chi Minh City, has sent money needed to buy tickets for the laborers," the Sulexco official said. "But we are not sure whether all of them can return for plane tickets to repatriate all remaining workers in Lebanon following allegations of inis-treatment, a Sulexco official home this month, because it's up to many factors," NORTH AMERICA

said Tuesday. In February, Prime Minister Vo Van Kiet of Vietnam ordered an investigation after women sent to work in hotels in Lebanon ended up in slave-like conditions, working as maids in private houses.

A government agency in Charge of sending workers News quoted Jalim Asly, Vietnam they were treated like "slaves" and were beaten frequently. nam's honorary consul in Leba- They did not receive mail from stop sending workers to Lebanon, as saying that the Lebanor home nor did letters they sent non following charges of abuse ness "could only organize the arrive in Vietnam."

says guerrillas razed the shrine and several hundred surrounding homes. The militants.

More than 100 arson attacks have been,

reported in the Kashmir Valley from

Most were aimed at government effices, small Hindu temples and the homes of

Hindu Kashmiris who had fled the region.

In many cases, firebombs had been thrown-

In many cases, firebounts nan been many into the buildings.

The All Party Hurriyat (Freedom) Conference, a coalition of more than 30 political, religious and social organizations with wide support in the valley, has appealed for an end to the arson attacks, saying they violate the teachings of Islam and the spirit of religious telegrape of Kashmir

of religious tolerance of Kashmir,
Mr. Rao has come under fierce criticism

for the government's handling of the Charar-i-Sharief affair, which has jeopardized state assembly elections that New Delhi was planning to hold next month.

The crisis has triggered another war of words between India and Pakistan, which:

have fought two of their three wars over.

say the army started the fires.

Thursday to Tuesday.

Miss Mussolini, 32, had promised to name her first son Benito and when she became pregnant said at first she did not want to know the sex of the unborn child. She finally suc-

Instead of Beaito, the baby will be called Caterina after the Duce's grandmother.

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# Police in Germany

# Come Under Fire Rights Group Alleges Pattern Of Anti-Foreigner Brutality

By Rick Atkinson Washington Post Service

BERLIN - German policemen have shown an alarming pattern of brutality in their freatment of foreigners and ethnic minorities in the last three years, the human-rights organization Amnesty International said Tuesday.

An Amnesty International report cites more than 70 incidents investigated by the organization from January 1992 to March 1995 in which it says the police "used excessive or unwarranted force in restraining or arresting people, or had de-liberately subjected detainees in their custody to cruel, inhuman or degrading treatment."

Nearly all of the cases in-

volved foreign nationals, including asylum-seekers and refugees, according to the report, which was made public in Bonn. More than half the incidents involved police officers in Berlin, which has a large population of Turks, Poles and other non-Germans

uu on Viji

Thomas Rabe, spokesman for the Berlin Senate department that oversees the police, said that "the accusations are absurd and don't apply to Berlin." The Berlin government has instituted a program to make the police more sensitive to foreigners, Mr. Rabe said, and an independent commission was established last year to scrutinize police behavior.

Of 52 brutality accusations investigated recently, only 2 were referred for prosecution and in 25 of the cases the complainant was subsequently cited for resisting arrest, he said.
"It would be alarming if

these accusations were true," he added, "But we have trust in our justice."

The federal interior minister, Manfred Kanther, said in a statement from Bonn that accusations of "a pattern of mis-treatment falsify reality."

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"Whenever accusations are raised against the police," he said, "they are investigated and resolved regardless of the con-

Other police officials have described bratality cases as isolated episodes involving a few rogue officers. Although some officers have been prosecuted and jailed for their action, the Amnesty International report sharply criticizes "the failure of the German authorities to investigate every complaint of alleged ill-treatment promptly, impartially and thoroughly."
"I think I could safely say on

the basis of the reports we've received that the problem has steadily worsened," said Mi-chael C. Butler, who supervised the study.

the authorities have done far too little to tackle the problem," he said in an interview. "They still insist that it's just a few little isolated incidents."

Germany bas been plagued since reunification in 1990 with xenophobic incidents, including murder. About 6.5 million foreigners live in Germany, and they make up 8 percent of the population. Federal statistics record more than 14,000 racially motivated crimes from 1992 through 1994, although officials in Bonn contend the epidemic has subsided recently.
"I see a relationship between

racism in society and racist incidents in the police in that the police reflect society in all countries," Mr. Butler said. "This is the most alarming aspect of our findings: That at a time when foreigners might expect more police protection, frequently they've been confronted with baton, fist or

The report, titled "Failed by the System: Police III-Treatment of Foreigners," cites medical evidence from victims with "broken teeth, sprains and bruises, and in several cases broken bones --- injuries consistent with the victims' allegations that they had been punched, kicked or struck with a police baton."



"One of the reasons is that Mr. Chirac is expected to name Mr. Juppé, left, as prime minister Wednesday after taking over as France's president.

## **Greens Seek Partners to Unseat Kohl**

BONN — Germany's surg-ing Greens Party urged Social Democrats on Tuesday to join forces at the state level in coalitions that could help topple Chancellor Helmut Kohl's center-right national government

Bolstered by two state elections on Sunday that confirmed their status as the third force in German politics, party leaders said it was time for the Social Democrats to throw their weight behind the "red-green" option as a model for future coalitions.

Social Democratic leaders were not talking about their intentions even though a coalition seemed the most practical alternative in North Rhine-Westphalia, Germany's most populous state. The Social Democrats lost their 15-year majority there in Sunday's vot-

Joschka Fischer, the Greens' said a Social Democratic-

Rhine-Westphalia could be a model for a similar coalition on the national level one day.

"If an ecological and social reform policy can succeed with the Social Democrats in North Rhine-Westphalia, then there is a tremendous chance that Rudolf Scharping will be federal chancellor in a red-green coalition in 1998," he told German

Mr. Scharping is leader of the Social Democrats. His party is divided over casting its lot with the Greens, and he took a waitand-see line.

"We must link Germany's ecologic and economic future very closely," he said. "We will have to see if this can be agreed upon with the Greens. We must not approach this with euphoria that replaces reason."

Joining forces with the Greens in North Rhine-Westphalia would be particularly sensitive for the Social Demoparliamentary leader in Bonn, crats because of the Greens' aggressive environmental policies. Greens alliance in North which traditional Social Democratic supporters in the coal and steel region fear could cost

The Greens have sought a coalition with the Social Demo-

forming governments in North Rhine-Westphalia and the citystate of Bremen.

Krista Sager, the Greens' coleader, said in a radio interview crats in vain for years and were that for now a coalition was disappointed with the party's "not just a conceivable perspecless-than-eager reaction to tive, it is the only one.

European Union events scheduled for Wednesday: STRASBOURG: 1995-96 growth projections will be pre-

sented by the commissioner for economic and monetary union. Yves-Thibault de Silguy. LONDON: Jacques Santer, president of the European

Commission, meets with Prime Minister John Major of Brit-

STRASBOURG: The European Parliament will issue its decision on the Bourlanges / Martin report on the intergovernmental conference in 1996; question the commission on the preliminary 1996 budget proposal, and welcome President Mary Robinson of Ireland.

MOZAMBIQUE: João de Deus Pinheiro, commissioner of relations with African, Caribbean and Pacific countries, completes his trip through southern Africa.

#### BRIEFLY EUROPE

### Union Is Urged to Scrap the Veto

STRASBOURG - The European Parliament struggled Tuesday to come up with a common vision of Europe's future. with much of the debate concerning the rights of the European Union's members.

More than 200 amendments had been made to a report on an intergovernmental conference that will be held next year on the Maastricht treaty. The report, one of a number produced by EU institutions, is scheduled for a vote by the Parliament on Wednesday.

Among its most controversial provisions is one to do away with the veto, which has been used to derail initiatives on issues from foreign policy to taxes. Individual states can now block any of the proposals they do not like, while foreign policy is dealt with between governments.

Under the Parliament's draft report, the EU is urged to do away with both arrangements and to replace them with a

simple majority system. Limiting the veto is widely supported by the Parliament and other EU institutions, but Britain has said it would fight

#### such a move at the constitutional review next year. (Reuters) Chirac Is Set to Step In as President

PARIS (Combined Dispatches) - Jacques Chirac will take over Wednesday as president of France for seven years and is expected to appoint Alain Juppe as prime minister.
President François Mitterrand will brief Mr. Chirac on

state secrets and give him the launching codes for France's nuclear strike force during a meeting at 11 A.M., after he arrives to a 21-gun salute. Mr. Chirac's first 36 hours in office will have a strongly symbolic flavor. After appointing Mr. Juppe on Wednesday. he is expected to visit the grave of his political mentor.

Charles de Gaulle, at Colombey-les-deux-Eglises. He will meet Chancellor Helmut Kohl of Germany in the French

border city of Strasbourg on Thursday.

The European Union's chief, meanwhile, wished a fond farewell to Mr. Mitterrand, crediting him for much of the EU's progress in the past 14 years. In a letter to Mr. Mitterrand, the president of the European Commission, Jacques Santer, thanked him "for the considerable progress you have made for Europe in your two terms of office. Having sat next to you for many years, I can bear witness to the eminent role you have played among us."

#### WEU Warns of 2 Global Threats

LISBON — Ministers from 27 European countries, fearing a Japanese-style nerve gas attack, have pinpointed the proliferation of nuclear and chemical weapons as a major global

The proliferation of all weapons of mass destruction and their delivery means continue to constitute a threat to international and European peace and security," said a report adopted by the foreign and defense ministers at a meeting Monday of the 10-nation Western European Union.

The report, on a new generation of security threats facing an unstable post-Cold War Europe, stressed the dangers of such weapons' falling into the hands of terrorists. (Reuters)

#### A Shift in EU-Morocco Fish Talks

BRUSSELS — Hoping to avoid another impasse in talks on fishing rights off North Africa, European Union and Moroccan officials took a new tack Tuesday, studying possible joint ventures instead of diveying up fish stock.

The European Commission has proposed teaming up with

Moroccans on ship-owning, fishing, processing and distributing the catch that comes out of Morocco's territorial waters.

The EU spokesman, Marco Zatterin, said the proposed "partnership agreement" would allow Morocco to develop its fishing industry while giving European boats continued access to Moroccan waters.

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## Win a holiday in Spain for two!

Simply obtain the answers to the following questions:

- 1. This photo was taken at a world renowned fair in which Spanish city?
- 2. Several operas were set in this city. Name one. Name one important monument in this city.

Once you have the answers, send them to us with the completed coupon below for a chance to visit Spain. Winners will be selected from an official drawing. The first three entries drawn with the correct answers will be the winners.

THREE WINNERS!			COUPON
nd Prize: Seven days in two Paradors/hotels of the same region of the nsula, all inclusive, for two. International airline tickets by bena Airlines. Plus a year subscription to the International Herald Tribune.  Ond Prize: A weekend for two in a Parador/hotel on the peninsula, all sive. International airline tickets by Iberia Airlines. Plus a 6-month subscription e International Herald Tribune.		JOB TITLE	
d Prize: A collection of books about Spain. Plus a 3- th subscription to the International Herald Tributie.		-	ADDRESS
RULES AND REGULATIONS	ANSV	WERS	
Open to European residents. Travel must be completed by March 31st, 1996. Entries must be postmarked no later than July 1st, 1995.	1		COUNTRYTE
Alid only where legal. No purchase necessary. Entries will not be accepted from staff and families of the ewspaper, TURESPANA, and Delvico Bates.	2		Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neully Cedex, France.
No correspondance will be entered into. Proof of postage of be accepted as proof of receipt. No cash alternative to prizes.	Z		***************************************
Vinners will be drawn on September 15th, 1995 and thed thereafter in the newspaper. The first three entries is with the correct responses will be the winners.	3.		€57ANA.
on all matters, the editor's decision is final.  The editor reserves the right in his absolute discretion to	J		Passion for life

Willed.

## In London For Business

their followers, but the news

has been the rebirth of Soho

as an eating center, with

there. The City, once a gas-

tronomic wasteland, now has

its share of good eateries as

restaurants than for English

cuisine, the subject of many

where gentlemen are expect-

the evenings it is advisable to

more latitude in their dress.

Bentley's, 11-15 Swallow

The Greenhouse, 27a Hav's Mews, W1. Tel.: 499-

3331. Decor as green as the

name. Great care taken with vegetables and fruit. Plus

boiled bacon with lentils -

Park Road, W11, Tel.: 229-

and great desserts.

vegetarian menu.

pie is a staple.

Savoy Grill, The Strand.

WC2. Tel.: 836-4343. Open

a Who's Who, pick a name at

random, and almost certainly

he or she has eaten at the Grill. Great pressed duck.

Marsham Street, SW1. Tel.:

834-9552. Serves classics

like roast beef. The clientele:

Members of Parliament

keeping ears pricked for the

bell that sends them running

to vote in the nearby House

of Commons. Lobbyists stay

on to pick up the tab. Also

popular with advertising ex-

Simpson's-in-the-Strand, 100 The Strand,

WC2. Tel.: 836-9112, Digni-

fied men carve joints (roasts)

on the trolley with loving

care and load clients with

enough carbohydrates and

cholesterol-inducing foods to

keep a convention of cardiol-

ogists happy until retirement

Author J.B. Priestley ate here

often but did not succumb

The Square, 32 King Street, SW1. Tel.: 839-8787.

A highly rated restaurant

serving what the chef calls

"modern classical British."

Specialties include guinea

fowl, venison, fish and mar-

velous pear, blackberry, and

Veronica's, 3 Hereford

until the age of 90.

hazeinut tart.

ecutives.

London is better known for

well.

of wines.

LONDON is the central nervous system of business. financial and banking networks that stretch to virtually every country in the world. While traditions remain strong. London today is a vibrant, cosmopolitan metropolis that ranks with Tokyo and New York as a business capital of world stature.

#### At a Glance

For the business visitor. most of the action is in three main locations north of the Thames, collectively known as Central London. The City, to the east, is the financial district, where the Bank of England, the Stock Exchange and other financial institutions are concentrated.

This fringes into the West End, which includes the theater district, raffish Soho. Piccadilly Circus and Leicester Square: and dignified Mayfair and St. James's. where many of the finest hotels, restaurants and shops in the city are to be found.

BANGERS SECTION OF THE RESIDENCE OF THE PROPERTY OF THE PROPER

A visitor who does not know the territory should buy a street guide at a newsstand or bookstore.

One of London's most pleasant features is the extraordinary number and variety of parks: 387, totaling more than 2.5 hectares (20 acres) in Greater London.

The variety of spoken English heard in London is astounding. Standard Received English, or Oxford English. is what "proper" people use.

#### Getting Around

Allow plenty of time between appointments as the subway and buses can be

British tourist offices overseas sell Visitors' Travelcards for mass transit. Lowcost travel cards good only during off-peak periods can be purchased in London.

London's cabs are legendary for their spacious interiors and their drivers' familiarity with London streets. Virtually all cabbies ire honest.

Pay what is shown on the meter, which includes extra charges. Add a tip of not less than 10 percent. Cabs can be found at ranks or hailed on the street; many are on radio networks.

So-called minicabs may cost a little more than a black cab. Call at least 20 minutes

#### 💭 In a Word

People born and raised in the East End of London speak a Cockney dialect that is even thicker than "My Fair Lady" would lead you to believe. Most other Londoners speak in a generalized Lon-

A quarter of the central London population is of African, Asian or Caribbean origin: another sizable slice is from Continental Europe. They all have their own inflections. And then there are all the British regional accents. As a Cockney might say: 'Gorblimey, myte, it's a Tower of bloody Bybel

Most Americans know that an elevator is a "lift" and an apartment is a "flat," but it is important for those doing business in London to know that to "call" means to pay a personal visit. For a phone call, you "ring" or "ring

#### Wining & Dining

KOREA..

MACAD.

Road, W2. Tel.: 229-5079. British nouvelle cuisine at its Where does one eat best in best and so-called historical London? Mayfair, Knightsdishes - 17th-century-style

bridge, and Chelsea all have chicken and mustard, lamb "BUSINESS TRAVEL WITH ITT SHERATON"

was produced in its entirety by the Advertising Department of the International Herald Tribune. WRITER: Heidi Ellison is a Paris-based freelance writer. PROGRAM DIRECTOR: Bill Mahder.

as served 100 years ago, even World War II recipes.
Waltons, 121 Walton

some leading chefs setting up Street, SW3. Tel.: 584-0204. Very fashionable, rather starchy: much is made of the English and French dishes' presentation. The wine list is an encyclopedia of good vin-

tages. Wheeler's, 19 Old Compton Street, W1. Tel.: 437its Indian and other ethnic 2706/7661. For devotees of The following are re-English seafood and fish. spectable British restaurants. Regulars include painters and theater people. Highly ed to wear tie and jacket: in

recommended. Wilton's, 55 Jermyn Street, SWI, Tel.: 930-8391. wear a suit, Ladies enjoy The waitresses are known as 'nannies" in this 250-year-Street, W1. Tel.: 734-4756. old restaurant. Oysters, fish One of the grand old places: and game, and bread and butter pudding. fish, seafood, wide selection

The following restaurants are conveniently located in the City.

City Brasserie, 9a Mincing Lane, EC3. Tel.: 220-7094. Popular lunch place that combines English and French cuisine. Corney and Barrow's, 109

Old Broad Street, EC2. Tel.: 638-9308. Distinguished kitchen with Central European accent and clublike atmosphere.

Le Champenois, Cutlers Gardens Arcade. 10 Devon-shire Square. EC2. Tel.: 283-7888. Úrbane and Gallic; a deal with every meal.

Le Pont de la Tour, Butler's Wharf, SE1. Tel.: 403-8403. Sir Terence Conran's self-styled "gastrodome" right by Tower Bridge. Seafood specialties. One of the most fashionable places

Le Poulbot, 45 Cheapside, EC2. Tel.: 236-1379. Anoth-Leith's. 92 Kensington er operation of the Roux 4481. Smooth-running, elebrothers, this one in the heart gant restaurant; popular for business dinners. Separate of the City financial district. High-powered business lunches (closed for dinner); Manzi's, 1 Leicester Street, Soho, WC2, Tel.: 734upstairs cafe serves soups and sandwiches.

Sweetings, 39 Queen Victoria Street. EC4. Tel.: 248-0024. One of the oldest seafood (and eel) restaurants. Located in the heart of the 3062. Dickensian atmostheater district. Friendly, inphere: diners sit at long tables and eat superb, simply formal atmosphere; better for social than business occacooked fresh fish.

ions. Tatsuso, 32 Broadgate Rule's, 35 Maiden Lane. Circle, EC4. Tel.: 638-5863. WC2. Tel.: 836-5314. Lon-An excellent, it expensive, don's oldest restaurant. Sea-Japanese restaurant serving an international financial sonal specialties include jugged hare, game birds and venison: steak-and-kidney

#### Calling Around

Country code: 44. City codes: 171 (inner city) and 181 (outer city). From within London or from other parts Shepherd, Marsham Court. of the British Isles, dial 0171 or 0181. Most of business

and tourist London is 0171. Telephone cards can be purchased at post offices and some newsstands.

• Emergencies: 999

Dentist: 0181-6778383 Doctors

Medcall: 01459-131313 Doctorcall: 0181-9001000 Late-night pharmacy:

723-6116 Airports Heathrow: 0181 759-4321 Gatwick: 01293 535-353

London City: 474-5555 Stansted: 01279 680500 • City of London Info:

606-3030 • Directory inquiries: 192 Road and weather condi

0336 401 100

Radio taxis: 286-0286/272-0272

Ladycab (women only): **London Tourist Board:** 

730-3488 Restaurant listings:

0181-888-8080 Train information:

928-5100 Excerpted from the "In-ternational Herald Tribune Guide to Europe" (third edi-tion, NTC Publishing) by Alan Tillier and Roger Beardwood.

> Next City LISBON

## **Business Traveler Services** From ITT Sheraton

ITT SHERATON has not one but four hotels designed for business travelers with Landon on their agendas: two in London's West End and two conveniently located at Heathrow Airport. The Sheraton Park Tower, a member of The Luxury Collection, an assembly of 48 of the most exclusive hotels in the world, enjoys a fashionable Knightsbridge address, oppo-site Hyde Park and within a fiveminute walk of Harrods and the other exclusive Knightsbridge

The preferred address of executive business travelers, the Sheraton Park Tower's Classic Executive rooms include fax machines, two direct telephone lines and a choice of business newspapers. The Butter Roors offer individual butler service as well as breakfast, afternoon pastries, packing and unState-of-the-Art Business Centers

No need to panic if you wake up in the middle of the night and remember that vital fax you should have sent yesterday. ITT Sheraton hotels in Europe have 24-hour business centers. The state-of-the-art equipment on offer includes personal com-puters with the most recent versions of all major word process-ing programs, laser printers, dedicated lines for modems. computer adaptors, telephones, photocopy machines, tax machines and shredders.

packing service, pressing on arrival, shoe shine and choice of newspapers and magazines. The Sheraton Belgravia, with 89 rooms, has a warm, intimate ambience that makes quests feel they are staying in a pri-

vate home. Located in chic Belgravia, the hotel offers live music every evening in the lob-

by lounge. All executive rooms in the hotel are equipped with fax ma-chines, and all suites have CD players and video recorders. At a new 24-hour business center. business travelers will find stateof-the-art equipment for their use during their stay. A chauffeur-driven Mer-

cedes is available to guests. For the business traveler in transit, ITT Sheraton also offers the best in comfort and technology available at London's Healthrow Airport. The Sheraton Skyline, renowned for its indoor tropical garden and swimmingpool, can make guests forget that they are one a business trio. The Sheraton Heathrow has just completed an extensive renovation, making its quest

rooms the ideal stops for a business fraveler.

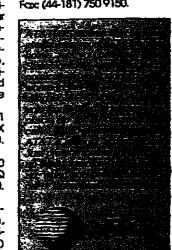
All hotels have instituted new services this year for the busi-ness traveler, including 24-hour business centers, laptop computers and portable telephones for customers to borrow, 24-hour room service. guaranteed five-minute notification of receipt of faxes and messages and marning coffee

in the lobby for early rises.
Sheraton Park Tower: 101
Knightsbridge, London SW1X
7RN. Tel.: (44-171) 235 8050. Fax: (44-171) 235 6231.

Sheraton Belgravia: 20 Chesham Place, SW1X 8HQ London, Tel.: (44-171) 235 6040. Fax: (44-171) 259 6243.

Sheraton Heathrow: Coinbrook Bypass, West Drayton, Middlesex UB7 OHJ. Tel.: (44-181) 759 24 24. Fax: (44-181)

Sheraton Skyline: Bath Road, Hayes, Middlesex UB3 5BP. Tel.: (44-181) 759 2535. Fax: (44-181) 750 9150.



Because we have created our hotels with vou in mind, each one of our nearly 400 hotels worldwide is one-of-a-kind. Whether you go to the sun, or just want to. ITT Sheraton will give you that unexpected ambiance. At the Sheraton Skyline in London. for example, we have built the hotel around a tropical garden, the Patio Caribe. Whatever the weather outside, our guests can enjoy a unique exotic atmosphere

## WHY SHOULD A HOTEL IN LONDON LOOK LIKE A LONDON HOTEL?

under a tropical climate.

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# Mental Illness Seems to Be on the Rise in Poorest Nations

By Barbara Crossette New York Times Service

UNITED NATIONS, New York - Mental illness and behavioral problems are on the increase in the world's poorest nations, even as advances are made against debilitating or fatal physical diseases, a team of experts assembled by Harvard Medical School said here.

The deterioration in mental and social health threatens more violence, ethnic conflict and instability in developing nations, the team warned in a study prepared by 88 specialists from 30

The study, "World Mental Health: Problems and Priorities in Low-Income Countries," which is being published as a book by Oxford University Press, was issued here as part of an effort by the authors to involve the United Nations in drawing attention to the problem.

"It is a myth that mental health is not a serious global problem," Arthur Kleinman, a co-author and the originator of the study, said before

**Beijing and Manila** 

Face Off Over Reef

Confrontation in Spratlys

visit, organized by the Philippine Defense Department, to the dis-puted Spratly Islands in the South China Sea. Its release was

delayed because of reporting re-strictions imposed on the visit.)

OFF MISCHIEF REEF,

Spratly Islands — Two Chinese vessels blocked a Philippine

Navy ship carrying a senior general and a group of foreign and Filipino journalists in a

tense 70-minute confrontation

Saturday near a Chinese-held

markings identifying them as fishing boats, cut across the

bow of the Philippine Navy tank-landing ship Benguet and

then hemmed in the vessel from

a position between the Chinese

Later, two Chinese frigates

moved toward the Benguet, the pines government."

The two Chinese ships, with

reef in the Spratly Islands.

Sparked by Journalists' Visits

(This is a pool report by Ruben Alabastro of Reuters, who returned on Tuesday from a media speed.

In Beijing the government warned the Philippines on

Tuesday that any similar action

could result in "serious conse-

to misinterpret China's restraint but instead return to the

correct path of negotiations to

resolve this dispute," the Xinhua press agency quoted the Foreign Ministry spokesman,

Shen Guofang, as saying.

Mr. Shen said Manila had

defied Beijing by going ahead with the journalists' tour de-

We advise the other side not

presenting the findings to Secretary-General Boutros Boutros Obali. well as international organizations needed to focus on mental and behavioral problems, which

"Nothing could be farther from the truth," said Mr. Kleinman, an anthropologist and psychiatrist who has been studying mental health in Asia, primarily China, since 1968. He is calling for a global conference on the issue, similar to those held in recent years on population and poverty. "The problem is broad, not just neuropsychiatric disorders, but also behavioral problems like substance abuse and violence."

There is an important link to the United Nations, he said.

What this book does is demonstrate that major demographic shifts, ethnic conflict, refugee movements, internal displacement, the international drug trade, the growth of megacities and to some extent economic restructuring have contributed to these problems.

The specialists found that in many countries rapid social and economic changes were creating special stresses on the elderly.

Mr. Kleinman said national governments as

some countries because of the stigma attached to

Yet, in many poor countries, there are imaginative and successful small efforts to deal with personal and community breakdowns, he said

He described programs in Thailand in which Buddhist monks work with narcotics abusers and in Malaysia, where healers called "drug bomohs" treat heroin addicts in communal settings. In southern India, women enrolled in a literacy program in Andhra Pradesh became the core of a arge women's movement against alcoholism. More than 6,000 liquor stores were closed in the

In Swaziland, in southern Africa, community mental health programs involve traditional healers, public health workers and family members.

These kinds of programs need national and international support, Mr. Kleinman said. Among the findings of the study are these:

 Mental retardation and epilepsy rates are up focus on mental and behavioral problems, which to five times as high in poor countries as in richer are often relegated to the margins of policy in ones, in certain Asian and African nations, up to 40 percent of sufferers go untreated because anticonvulsive medications are too expensive or not

· Reported schizophrenia cases in poor countries are likely to rise to 24.4 million by the year 2000 from 16.5 million in 1985. By 2025, threequarters of the world's dementia cases will be in the developing world.

 Demestic violence and the abuse of children is high in many low-income societies. From 20 percent to 75 percent of married women in developing countries are victims of domestic violence. The abandonment of unwanted children and the use of minors in the commercial sex industry and slavery are becoming "epidemic" in many parts of the world.

The report recommends a major world initiative to upgrade mental health services in Africa. Asia, Letin America and the Middle East, with emphasis on the training of more health-care

## **Overt Racial Politics** Resurface in Kenya

#### Moi Assails White Conservationist For Backing an Opposition Group

has called the conservation- mental in saving Kenya's elof the formation of a new was ousted last year in a political group.

change, change, change, Mr. Moi told a rally in racist Mr. Moi told a rally in Nyeri, in Kenya's mainly "Leakey says he is not rac-kikuyu central province on Monday. "They are urging while head of KWS he us to have political re-

man, comes and tells us: I in an announcement that

shook Kenya's political es-tablishment, Mr. Leakey said May 7 that he was associating himself with an alliance of young opposition

Mr. Moi's government faces criticism from Western donors, some of which have suspended aid programs af-ter complaining of human-

Mr. Leakey, a paleoanth- forced out,

ropologist who gained fame NAIROBI — President with his discoveries of fossils Daniel arap Moi of Kenya of early man, was instruist Richard Leakey a "white ephants during his 1990-man" trying to challenge the 1994 term as head of the government over his backing Kenya Wildlife Service. He campaign led by senior min-"White people tell us isters, who accused him of corruption and called him a

fenced off land only belonging to whites to protect it "Even Leakey, a white from animals.

.63 72 01 -1 15 -1

"Why did he not also want to remove you," Mr. fence off land belonging to Moi said in televised re- ordinary blacks?"

Most prominent in the group Mr. Leakey is backing is the opposition figure Paul "This organization wants

to destabilize the country," Mr. Moi said, "Muite calls for civil disobedience, and yet Leakey is in that group."

As wildlife chief, Mr. Leakey attracted more than \$500 million in aid pledges. Donors suspended much of that money when he was

### Hitler's Bunker to Be Sealed And Built Upon, Berlin Decrees

BERLIN - The remains of Hitler's Berlin bunker are to be sealed up and built upon, the city's regional assembly has decided, ending long argument over what to do with the historically ties, backed off to proceed to its charged site.

The Alliance 90/Greens party wanted part of the underground bunker kept visible from the ground with a window. But assembly members have adopted the advice of their cultural affairs commission, which wanted to build offices for the delegations of Germany's federal states on the site for when the federal government

moves to Berlin. Most of the buildings of Hitler's administrative apparatus were re-211 Italian-made trainer jets of destroyed during the Communist regime in East Berlin, but an the Philippine Air Force flew overhead.

"What is important is that we was disputed between those who wanted to preserve them for can do what we have to do be- historical interest and those who feared that they would become a

place of worship for Nazi sympathizers. In 1945, as the Soviet Red Army closed in, Hitler descended into the bunker to direct the Nazis' last desperate attempts to resist the Allies. He committed suicide there on April 30 that year.

Philippine Navy sailors keeping watch on a Chinese boat during the confrontation in the disputed Spratty Islands.

marked with the words "China's Fishing Administration 34" in Chinese characters, steamed to within about 50 me-

spite repeated warnings from China. "The Philippines side igters of the Benguet. noted China's solemn warning Men on the boat peered at and willfully carried out the acthe Benguet through binocutivity," he said. "This seriously encroached on China's soverlars, took pictures and shot video of it. One of them waved the eignty. For this China lodged a Benguet off, as if shooing it As the two Chinese boats serious protest with the Philip-

The incident was the first general on board, Major General Carlos Tanega, called in its patrol escort, the Miguel Maland willfully takes dangerous physical confrontation in the Sprative between China and the Philippines, two of the six navar, which immediately took up actions, it must bear the full tions claiming the potentially oil-rich islands in the South responsibility for any serious China Sea.

At one point Saturday, the The other claimants are Bruappeared on the horizon in ap-parent support of the Chinese vessels, its dark blue hull nei, Malaysia. Taiwan and Viet-

Security experts regard the is- to halt the media visit to the lands, believed to sit atop reserves of oil and minerals, as a nationalize" the issue. serves of oil and minerals, as a potential flashpoint.

The stand-off began Saturday afternoon while the Benguet was launching helicopter sorties for journalists into Mischief Reef, an area claimed by the Philippines. There were 39 journalists on

the ship.

Manila protested angrily to

China when it discovered in February that the Chinese had built structures on the reef. Philippine officials say the

metal structures on the reef could eventually become naval support facilities. China had tried to get Manila

Mischief Reef when the confrontation began Saturday. General Tanega led the first

President Fidel V. Ramos.

The Philippine vessels were

however, ordered that the visit

about 8 nautical miles north of

helicopter sortie. The two helicopters flew repeatedly over the Chinese structures, roaring as low as 30 feet (9 meters) over

The confrontation ended when the Benguet having com-

cause this is our territory," said General Tanega.

"We were eyeball to eyeball," he added. "We did not blink."

pleted its mission of seven sor-

Throughout the incident, a

Philippine Air Force plane gave

the Benguet air cover, military

While the navy ship was steaming out of the area, two S-

next destination.

officers said.

## **BUSINESS DAILIES**

Daily information for decision-making

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#### **SCANDINAVIAN BUSINESS DAILIES**

Daily contact creates results!



#### She died after a long illness that included a battle with rez de la Frontera as Dolores Flores Ruiz, she began her sing-ing career at the age of 10, sing-of Yale University. He worked breast cancer, her family said.

consequences."

Known popularly as "Lola of Spain" and "The Pharaohness," after a role in one of her films, Miss Flores came to symbolize popular Flamenco and Spanish folklore, singing for generations of Spaniards and millions of fans in Latin America.

72, one of Spain's most popular

singers of this century and the

star of numerous musical films

of the 1950s and 1960s, died

Tuesday at her home outside

Madrid

the death of Lola Flores, "Spain has lost one of the greatest artists of this century.

Born in 1923 in the southing in local bars and taverns.

and Queen Sofia said that with William E. Waller. 57.

western Andalusian town of Je- in Tucson, Arizona.

Lola Flores, Spanish Singer, Dies at 72

She first jumped to national fame in the 1940s singing with the popular Flamenco singer Manolo Caracol and landed her first film contract at the age of

Newsman and Book Editor William E. Waller, 57, a

newspaper and textbook editor, died of prostate cancer Monday Mr. Waller, a native of Louis-

as a copy editor for newspapers in Chicago, Detroit and Tucson, as well as the international edition of The New York Times

in Paris. He later became a free-lance 17. By the 1950s, she was filmeditor for publishing houses, ing one musical after another specializing in scientific text-

New York Times Service

In a condolence telegram to that were hits in Spain and books. Since 1980, he had spent MADRID — Lola Flores, her family, King Juan Carlos I South America.

South America. his summers as a copy editor at the International Herald Tri-

Christian Boehmer Anfinsen 79, co-winner of the 1972 Nobel Prize in Chemistry, died of a heart attack Sunday in Pikes ville, Maryland. Gaston Plissonnier, 81, a for-

mer Communist Party Politburo member and underground Resistance leader in Nazi-occu pied France, died Tuesday in

Jimmy Raney, 67, an influential postwar jazz guitarist, died of heart failure Wednesday in Louisville, Kentucky.

#### **BOOKS**

#### THE PRIEST: A Gothic Romance

By Thomas M. Disch. 303 pages. \$24. Alfred A. Knopf.

Reviewed by Lisa Tuttle

Perhaps the most notorious of the original Gothic novels is "The Monk" by M.G. Lewis, which is still shocking readers with its bad taste and blasphemy 200 years after its publication. By comparison, and in the context of what readers today are accustomed to, Thomas Disch's contemporary Gothic tale is sedate. Yes, there are rapes, tortures and murders here, but little is graphically described. Most of the violence takes place between the scenes or in the dark.

Unlike Lewis' improbably saintly 17th-century abbot, Disch's priest, Father Bryce, cannot blame his eventual downfall on any demons out-side his own skin. He has been sexually abusing altar boys and underage runaways for years, unable to resist each new temptation. But now he is being blackmailed. Unable to work up the courage to kill himself. Father Bryce sees no alternative to giving in to his blackmailer's decade. demands, which are extremely strange.

First, he has to read a badly written book by a former science-fiction writer who claims to have made some earth-shattering discoveries through his experiences of reliving past lives, the most significant being that of an Italian stonemason in

the Middle Ages who was imprisoned in France and tortured on suspicion of heresy. Next, the priest is ordered to have his chest tattooed with a picture of

During the ordeal of tattoo-ing, Father Bryce passes out and wakes to find himself a bishop in France and in the Middle Ages. Meanwhile, his own body is inhabited by the consciousness of that bishop. Silvanus de Roquefort, who be-lieves on the evidence of all his senses that he is now in hell and decides to make the best of it: When in hell, do as the demons do. He therefore indulges himself in rape and murder whenever opportunity presents it-

It is the selfish, unchallenged power of the Catholic Church that is the true horror behind all the evils depicted in "The Priest." "Anyone given enough power must succumb to such temptations," says the tor-

turer to Father Bryce. Disch's last novel. "The M.D.: A Horror Story," also concerned moral choices and the potential for abuse inherent in any power, and it stands as one of the most literate and compelling horror novels of the

"The Priest" suffers by comparison. It's a short book with many characters, most of whom are simply sketched in. Rather than taking on lives of their own, they tend to stand for ideas, as in an allegory. This may be deliberate - we're alerted by the subtitle not to expect a novel but a Gothic

romance - but it also makes Church should cause it to be as for a less involving reading experience.

"The Priest" is didactic, occasionally preachy, but too clever and fast-moving to drag. It is an inventive, angry and darkly humorous book with an ax to grind. Although it is deeply moral, the message it bears about the culpable hypocrisy of the Catholic

The New York Time

toudly and indignantly denounced - at least in certain quarters - as "The Monk," with its Bleeding Nun, dead babies and incestuous rape, ever

Lisa Tuttle is a novelist and short-story writer who wrote this review for the Washington

S. McNamara with Brian Van-

#### **BEST SELLERS**

This list is based on reports from more than	DeMark
2.000 brokstores throughout the United States.	2 THE HOT ZONE, by Richard
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	4 SISTERS, by Carol Saline
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···	DEN OF GOOD AND EVIL
THE RAINMAKER, by John	by John Berendt
	6 THE DISCIPLINE OF MAR-
2 LET ME CALL YOU	KET LEADERS, by Michael
SWEETHEART, by Mary	Treacy and Fred Wiersema
Higgins Clark	7 FROM BEGINNING TO
3 THE CELESTINE PROPHE	END, by Robert Fulghum
CY, by James Redfield 2 63	
4 LADDER OF YEARS, by	8 QUIVERS, by Robin Quivers
Anne Tyler	9 MODEL, by Michael Gross .
5 POLITICALLY CORRECT	10 BREAKING THE SUR-
REDTIME STORIES, by	FACE, by Gree Louganis
James Finn Garner 4 47	11 MY LUCKY STARS, by Star-
6 MOO, by Jane Smiley 5 6	ley MacLaine
a nonneh talere b. D.L.	12 THE DIARY OF A YOUNG
James Walter 6 12 8 A DOG'S LIFE, by Peter Mayle 8 6	GIRL, by Anne Frank
8 A DOG'S LIFE by Peter	13 IN SEARCH OF STONES.
Mayle8 6	by M. Scott Peck
9 THE BRIDGES OF MADI-	14 COUPLEHOOD. by Paul
SON COUNTY, by Robert	Reiser
James Waller 9  44	15 NO ORDINARY TIME by
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15 PHENOMENAL WOMAN,	THE BEDROOM, by John
L. Marin American 15 v	C

NONFICTION

1 IN RETROSPECT, by Robert

THE DEATH OF COMMON SENSE by Phillip K. Howard 3 13 SISTERS, by Carol Saline 4 20 MIDNIGHT IN THE GAR-DEN OF GOOD AND EVIL GIRL, by Anne Frank ........ IN SEARCH OF STONES, Reiser | 136 NO ORDINARY TIME by Doris Kearns Goodwin 14 18 ADVICE, HOW-TO AND MISCELLANEOUS

MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray.
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MARS AND VENUS IN THE BEDROOM, by John Gray. Gray 4 HOW TO ARGUE AND WIN EVERY TIME by Ger-

## Iran Says U.S. Missed Chance to Bolster Ties

The embargo itself will have only a

minimal effect on Iran's economy. The United States sold Iran only \$330

million worth of goods last year, the most important of which was equip-

ment for its aging oil fields. American

oil companies bought upwards of \$3.5

the American trade ban is that it does

not aggravate Iran's economic prob-

lems and enjoys no support from Iran's other trading partners.

edged Monday that it would have a psychological effect. "This provoca-

tion could provide some anxiety," he

said, although he added: "In practice,

But he urged the United States to

rethink its policy. "My suggestion to

your government is not to do these

immature things it's doing," he said,

adding: "We are not asking the Unit-ed States to have relations with us.

What we are asking the United States is to stop its hostility against us."

The dollar may not get much respect in Tokyo or Bonn, but in Tehran

it is the only currency that counts. Even before President Clinton's exec-

utive order banning trade with Iran.

it would not have much effect."

But even Mr. Rafsanjani acknowl-

The official reaction in Tehran to

billion of tran's oil last year.

By Elaine Sciolino New York Times Service

TEHRAN - President Hashemi Rafsanjani of Iran has asserted that the United States missed a chance to improve relations when it forced the cancellation in March of a \$1-billion deal that Tehran had made with an American oil company, and he has urged Washington to lift its new trade embargo against his country.

But the Iranian leader also exhibited his long-held antipathy to the United States.

In a 75-minute interview Monday with ABC News, Mr. Rafsanjani said that the Clinton administration owed Iran "a thousand apologies" for what he called efforts to weaken the 16year-old revolutionary government with "lies" and "bullying." He repeatedly asserted that Washington oweed Iran billions of dollars from the time of the shah.

Mr. Rafsanjani, who has virtually no contact with Americans and seldom grants interviews to American news organizations, was unable to hide his curiosity about Washington

interviewer, the ABC anchor Peter Jennings, whether the Clinton administration's characterization of his country as an outlaw state spreading global terror and desperately seeking nuclear weapons was justified.

"We invited an American firm and entered into a deal for \$1 billion," Mr. Rafsanjani said of the agreement with a Dutch subsidiary of Conoco, the Houston-based oil company, to devel-op two off-shore oil fields.

This was a message to the United States, which was not correctly understood. We had a lot of difficulty in this country by inviting an American company to come here with such a project because of public opinion. The Conoco deal would have repre-

sented the first major U.S. investment in Iran since the 1979 revolution and so would have sent an important signal to other investors at a time of huge inflation, an increase of capital flight. and a lack of investor confidence among Iranians and foreigners alike. The cancellation of the deal and the

U.S. trade ban that followed this month have contributed to a quiet panic on the streets of Tehran and a sense that things can only get worse.

the country's national currency was in steady decline.

on the control of the

But in the last week, the rial plunged to its lowest level against the dollar since the Iranian revolution, sparking widespread buying of dollars on the black market and much-publicized arrests of money changers from their informal headquarters on a strip near the central bank in Tehran.

Mr. Rafsanjani, who had once tried to allow the rial to rise and fall freely on the open market, threatened executions of the "economic terrorists."

Curiously, independent but more established money changers are still allowed to change dollars, and customers were lining up this week outside their shops to change dollars at more than twice the official rate.

Even as Mr. Rafsanjani said the American embargo would have no practical effect, he blamed the United States and Israel for wreaking havoc on Iran's currency.

The president said of the independent money changers: "We gave them too much of a free hand. They have acted in full harmony and synchronized their actions with the trade ban of the United States and the actions of

## Israel-Syria Talks Move Ahead

## Damascus Shows Flexibility on Security Issue

By Steven Greenhouse

WASHINGTON - The Clinton administration says Syria and Israel have narrowed their differences over the security arrangements they have offered in peace talks, in which Syria is demanding that Israel withdraw completely from the

Golan Heights.

A senior U.S. official said that once Syria and Israel agreed on security arrangements, it would become far easier for them to reach an overall accord. But he said the two countries had some distance to go before reaching a breakthrough on security.

The official said that in a meeting Monday between President Bill Clinton and Foreign Minister Farouk Shara of Syria, Mr. Shara showed new flexibility regarding differences over how far troops would be withdrawn from the Golan Heights, a strategic plateau that Israel captured in the 1967 Arab-Is-

racii war.

INTERNATIONAL

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rowing, but there has not been a meeting of the minds," the official said.

Until now, Syria has insisted that all security arrangements be reciprocal, balanced and equal, meaning, for instance, that each side withdraw its troops an equal distance from the Golan Heights as part of any peace agreement.

But Israel has argued against an equal withdrawal, asserting that its troops should be allowed to withdraw a shorter distance than Syrian troops because it is a far smaller country than its longtime enemy.

Officials familiar with the talks say the Clinton administration has sought to bridge the China Executes 8 in Zhuhai differences by offering a pro-posal that calls for reciprocal and mutual security arrangements, but not equal or sym- men aged from 20 to 26, were Israelis say is acceptable.

Prime Minister Yitzhak Rabin of Israel has indicated that agency Lusa said. The men had he would relinquish much of the been convicted on drugs, rob-Golan Heights but has not, at bery and marder charges.

There has been some nar- least publicly, offered a con-

Peace talks will founder if Damascus insists that israel demilitarizes the same amount of land as Syria, Agence France Presse reported Tuesday from Jerusalem, quoting Prime Minister Rabin. He told Parliament's defense

and foreign affairs committee that talks with Syria were "blocked," a spokesman for the closed-door meeting said.

"Israel will never agree to geographic symmetry of security arrangements," Mr. Rabin

HONG KONG - Bight metrical ones — which some executed in the southern Chinaraelis say is acceptable. Tuesday, the Portugue

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Women seeking shelter on Tuesday as heavy fighting sent war-weary Sarajevo residents scurrying for cover.

## SANCTIONS: In Appeal, Japan Will Cite Speed of Washington's Move

Continued from Page 1

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international dispute settlement mecha-

"This is not the way to solve trade disputes," he said. "These measures, if implemented, would be contrary to U.S. obligations under WTO."

In Geneva, Renato Ruggiero, director-general of the WTO, called on the two countries to respect the organization's rules and said that the credibility of their commitment to the multilateral trading system was "at stake."

A final decision on whether to impose 100 percent tariffs on 13 separate Japanese luxury car imports, worth \$5.9 billion last year, will not be made until June 28, but Washington surprised Tokyo with its decision to backdate tariffs from May 20 should the sanctions ultimately be im-

In effect, the move is tantamount to the imposition of sanctions from Saturday, because vehicles that arrive after that date could be subject to 100 percent tariffs. With a top-of-the-line Toyota Lexus selling for \$52,000, the action creates immediate chaos, because importers will be taking a big risk if they accept delivery of vehicles already en route to the United States.

"The fact that you've going to impose de facto sanctions makes it less of a threat and more of an action," said Andrew Durant, managing director of Samuels Inter-

A Toyota Motor Corp. spokesman was

tional Trade and Industry said, however, that the backdating tactic would serve to strengthen Japan's complaint to the World Trade Organization that unilateral sanctions are a violation of international trade

"We'll be able to say clearly that the impact of the announcement is real," he said. "It's clear we can win at the WTO." he said, adding that Tokyo would lodge its complaint as soon as Wednesday.

The decision to backdate sanctions bolsters Washington's strategy to pressure Japan's automobile industry into making fresh pledges to renew and extend socalled voluntary plans made in 1992 on increased purchases of American car parts.

A refusal to make such pledges was the biggest stumbling block over the 20 months of negotiations aimed at improving American access to the Japanese auto market. The Japanese government and automakers reaffirmed their position Tuesday that it was impossible to accept such demands, which it said were tantamount to purchasing quotas.

Yoshifumi Tsuji, the president of Nissan Motor Co., said, "At Nissan, we have absolutely no intention of extending or revising our voluntary parts purchase plan under this unwarranted pressure from the

"The U.S. government," said Masaharu. lose their jobs."

more blunt: "Whatever is already on the boat gets screwed, too."

Tanaka, executive vice president of Toyota Motor Corp., "conducts its trade policy in a coercive manner completely beyond our comprehension. It's simply unacceptable. We hope the United States will drop the sanctions and let the WTO reaffirm the meaning of fair, international trade rules."

Some analysts, however, suspect that in the end the Japanese automakers will cave in to U.S. pressure rather than get bumped out of the American luxury car market.

The tariffs would effectively wipe out exports of luxury cars. For Japan's biggest carmaker, Toyota Motor Corp., luxury cars comprise 11 percent of the value of U.S. sales, said Peter Boardman, senior analyst at UBS Securities. For Nissan Motor, the second-biggest maker, the figure is

But with the yen having surged 15 percent against the dollar this year, eroding the competitiveness of Japanese exports, the segment remains one of the few in which Japanese carmakers are making profits.

"The impact will be huge," Mr. Boardman said.

Still, while a loss of sales would dent earnings, the damage would hardly disable the Japanese motor industry. North American sales of luxury vehicles comprise less than 2.2 percent of the value of total worldwide sales for all Japanese makers.

"The biggest impact," Mr. Boardman id, "could be on U.S. dealers, who might

#### **BOSNIA:** Sarajevo Siege

Continued from Page 1

around Sarajevo," Mr. Akashi While the United Nations

nia in the near future, a report being sent by Mr. Akashi to New York for the Security Council's consideration is said to concede that the policy of declaring "safe areas" for civilians in Sarajevo and five other Bosnian towns has become untenable.

The United Nations may also start to emphasize the humanitarian aspects of its mission over purely military peacekeep-

Though government forces started the shooting Tuesday. both sides expect the battle over Sarajevo to escalate this sum-

"Both sides were preparing for something," Mr. Ivanko said. "We're saying both sides were equally to blame for this fighting.

There is an expectation that the Bosnian Army could soon mount an offensive to break the siege of Sarajevo, which began three years ago. Brigadier General Rifat Bilajac told Reuters on Monday that Sarajevo "still has strength and means in reserve and these should be put into deblockading the city.

Meanwhile, Bosnian Serbian forces have increased pressure on the city with shelling and sniping. They have also forced a suspension in flights delivering badly needed supplies of food.

#### ■ Croatia Vows Pullout

In Bonn, Foreign Minister Klaus Kinkel of Germany said that President Franjo Tudjman of Croatia had promised that his troops inside UN-patrolled buffer zones in Croatia would withdraw by 11 P.M., Reuters reported.

The UN Security Council called last week for Croatian troops to leave UN buffer zones after a successful offensive on May l against rebel Serbs in Western Slavonia, east of Za-

In The Hague, a UN war crimes tribunal for former Yugoslavia agreed to take over genocide and other war crimes accusations against Bosnian Serbian leaders for possible tri-

## Russia Pummels Chechen Positions

Committed in Chir Staff From Disputition

GROZNY, Russia - Russian forces blasted rebel Chechen positions Tuesday, and fire engulfed a gas works on the fringes of Grozny, the shattered capital of the breakaway region.

Thick smoke filled the air around two sections looks unlikely to withdraw its of the plant on the western edge of Grozny, and peacekeeping forces from Bos- residents said the factory exploded overnight. It was not clear what had caused the blast.

Residents in Urus-Martan, 20 kilometers (12 miles) south of Grozny, said they heard what sounded like an air raid from the direction of Vedeno, about 10 kilometers farther south. Russian planes have bombed southern villages and mountains, apparently in an effort to pre-

vent the rebels from setting up a network of mountain bases to launch a summer campaign. Recent raids have hit the village of Serzhen-

Yurt in the foothills. The Russians struck the village again Tuesday with heavy artillery and multiple-launch Grad rockets.

Meanwhile, the brother of a missing American relief expert said Russian military authorities had been blocking efforts to determine whether a body found in Chechnya was that of Frederick C. Cuny.

Chris Cuny, who said he thought there was "a 50-50 chance" that the body was that of his brother, said Western searchers had been unable to get into Chechnya to bring the body out, despite Russian assurances.

## Ex-Mayor of Nice Gets Prison Term

GRENOBLE, France - Jacques Medecin. the former mayor of Nice, was sentenced to two years in prison Tuesday for swindling the opera company in Nice in the 1980s.

A court in Grenoble also fined Mr. Mede-

cin, a rightist known as "King Jacques" dur-ing his 24 years in office, 200,000 francs (\$40,000) on charges of breach of trust. He was also sentenced to five years' deprivation of civic rights.

Prosecutors accused Mr. Médecin of siphoning more than 2 million francs from the Nice Opera association's 50 million franc annual subsidy and paying the cash to two foreign front firms, supposedly to recruit singers who never performed in Nice.

Mr. Médecin, 67, was extradited from Uruguay last year to face several corruption counts and had been in jail for the last 17

The verdict was one of a series of anticorruption court rulings falling in the days before President-elect Jacques Chirac takes office on Wednesday.

The former mayor, who once boasted he would make Nice the Las Vegas of the French Riviera, was sentenced in absentia in 1992 to a year in jail for maladministration. The director of the Nice Opera at the time, Lucien Salles, was sentenced to 18 months, with six months suspended, and fined 100,000 francs.

## PROTEST: Father of China's Bomb Urges Tolerance

Continued from Page 1

Sciences, including that "of my respected teacher," Mr. Wang. In a telephone interview, Mr. Xu said separate letters to Mr. Jiang and Mr. Qiao were mailed Monday. Copies were being distributed to news organizations this week.

of preparations to issue the document as it was circulating for signatures. Mr. Xu said he received a summons on Friday from the Communist Party secretary of his research institute.

"He asked me not to engage in any activities, and not do to anything that will affect social stability," Mr. Xu said. "I told him what we're doing is good for social stability."

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Mr. Xu said party officials had apparently become aware

The new petition, following several others that were presented to the People's Congress in March, indicates that a significant number of Chinese intellectuals are seeking to press party leaders into opening a na-

The timing is important be-cause Mr. Deng. 90, appears to have lost the ability to speak on policy matters as his health declines. He has not been seen in public since February 1994, For the last six years, his adamant opposition has prevented the re-evaluation of the Tiananmen

verdict, which led to loss of jobs, diplomas and freedom for thousands of Chinese. The petition follows an unusually blunt speech on Satur-day by the U.S. ambassador to China, J. Stapleton Roy, who admonished senior Chinese of-

ficials to move more quickly toward establishing the rule of law in China "as the most effective way of maintaining stability and social order without resort to repression.' Monday's petition is pegged

to a Dec. 20, 1993, resolution of the United Nations General party leaders into opening a national debate on political rethat 1995—the 50th anniversa-

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form as the country prepares ry of the founding of the United Nations - should be the "United Nations Year of Tolerance."

"Our country is a founding member of the United Nations," the petition says. "Thus it should conscientiously implement this resolution, so that this spirit of tolerance, a spirit with which our country is relatively unfamiliar, may take root and flourish."

The signers asked for a reevaluation of the Tiananmen tragedy "according to the spirit of 'seeking truth from facts,'" an aphorism made famous by Mr. Deng, who emphasized

pragmatic policies to unify the Chinese behind economic reforms. The appeal appeared to be timed to coincide with the sixth anniversary of the Tiananmen massacre next month.

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## KUWAIT: Embezzlement Case Tests Limits of Democratic Reforms

Continued from Page 1

Islamic fundamentalist vote in Parliament "because they will do as their husbands tell them," one minister said.

The recent National Assembly session focused on constitutional issues regarding the legislature's authority to reject decrees issued by the emir while Parliament was dissolved and a dispute with the government over what court system may try the case of Sheikh Ali al Khalifa al Athbi as Sabah, the former finance and oil minister. He is accused of embezzlement and kickbacks totaling \$100 million

"The whole issue is political, meant for the protection of thieves who broke all records for theft," said a legislator, Yacoob Hayati.

"True government is about live conscience, intelligent minds, pure hearts and not about inoculated constitutions and retranslated laws," another shouted.

"If that happens, courage will retreat, justice will bend its head darkness will loom, and the devils will sing." he added.

Watching the debate were legislators from Pakistan and other visitors, who were en-thralled as the debate grew louder, with florid poetic references to ancient Arab examples of deception and betrayal and explosions of laughter.

Two legislators blew kisses to each another, and Kuwaiti jour-

"We know this is still a newborn democracy that needs nurturing, but it is a newborn that has nails," a Shifte legislator, Adnan Abdel Samad, said recently after a meeting with con-

While the legislature presses for prosecution in the case of the former oil minister, investigators are also probing suspected fraud and mismanagement losses of up to \$5 billion by the Knwait Investment Office, the agency responsible for investing the country's oil revenue. A sensitive issue is the re-

scheduling of \$20 billion in debts dating back to the 1982 crash of the Kuwait stock market. Most of it is owed by Kuwait's elite, including a top gov-ernment official and a member of the Sabah family who has debts of \$230 million. "The crisis is about the distribution of wealth in Kuwait,"

said a local journalist who was listening to the debate. At stake is Kuwait's econom-

ic future and the prospects for its continuation as a welfare state, in which everyone gets free medical care and pays no taxes. The fortunes of the Ku-wait Investment Office have dwindled from \$110 billion to \$35 billion, partly as a result of the cost of the war against Iraq. References were also made in

the legislative debate to Kuwait's history of having two parliaments dissolved by the ruler — "a dangling sword"

In 1976, Parliament was suspended to avert fallout from the Lebanese civil war. In 1986, it was dissolved again by the emir after it had subjected the minister of justice, a member of the Sabah family, to questioning and a motion of no-confidence that led to his resignation.

Although the constitution stipulates that elections are to be held two months after dissolution of Parliament, elections were not held after the 1986 dissolution until 1992.

This issue is particularly em-barrassing for Kuwait. The emir had agreed to new elections under pressure from the United States and to allay the wrath of Kuwaitis against government officials' flight from the country and their luxurious exile during the eight-month Iraqi occupation.

Now, many Kuwaitis feel that their country actually was saved by the exile of the ruling family, which then lobbied for American involvement and the commitment of U.S. troops.

"In this area," said a Kuwaiti political scientist, Shafik Ghabra, "you do not have fully developed states, but rather authorities. State-building is a new concept. Kuwait is still in the state-building stage after liberation. This is why democratization is not taking off the

way it should." said a Kuwai "If you democratize before down Naqib.

nalists called in updates to their over the legislators' heads, as state-building, you may have an offices on cellular phones. some call it. Algerian situation, and you will Algerian situation, and you will go to pieces," he said, referring to the political chaos in Algeria where Islamic militants are fighting to overthrow a military-backed government formed to keep them from taking control of the country through elections.

Legislators, citizens and foreign diplomats interviewed spoke of a checkered alliance between the rulers and fundamentalist Muslim groups, who bring up polemical issues that, critics say, take up time and divert attention from the debate about corruption.

Examples of the issues that the National Assembly has had to grapple with this session in-clude efforts to make Islamic law the only source of law and to segregate schools by sex. On these and other such issues, the fundamentalists were only narrowly defeated.

Mr. Samad, the Shiite legislator, recently tipped the vote in favor of Education Minister Ahmed Rubei, a secularist, when fundamentalists tried to remove him from office for allegedly squandering funds and removing anti-Jewish references from textbooks.

"The fundamentalists know that they cannot change the political system and that they have to come to terms and strike a deal with the rulers to use their authority to impose their will," said a Kuwaiti sociologist, Saa-

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THE WORLD'S DAILY NEWSPAPER

## POROUS: Smuggling Fills the Markets of Baghdad and Helps Saddam

Continued from Page 1 for President Saddam Hussein, cushioning his principal backers in the military and elsewhere from the worst effects of the sanctions and, by some ac-

ber of private fortunes. "All this unofficial trade has boomed," said a Baghdad-based diplomat. "Sanctions are

counts, contributing to a num-

crumbling.

That is surely an exaggeration. No trade embargo is airtight, and by all accounts the sanctions regime has been punishingly effective. The country's industrial capacity has been shattered. Earlier this month, the UN World Food Program warned that critical shortages of food and medicine threat-

ened the lives of up to a million

Iraqis.
The Security Council has resisted efforts by two of its members, France and Russia, to ease the sanctions, which are aimed in part at forcing Iraq to reveal past efforts to develop nuclear, chemical and biological weapons. The United States has argued for continuing the embar-go, citing gaps in the inventory of biological material provided

The sanctions have hit hardest among salaried professionals and government employees, whose average monthly paychecks have declined in value to about \$4. Desperation has bred corruption: At the government press office, translators have

been known to solicit cash from visiting reporters or to inform them of an obligation to buy them food.

Beggars have spread throughout central Baghdad, many of them children. But a shopping tour of Bagh-dad shows another side of the story. While most shopping

malls are closed and many storefronts are shuttered, the souks and sidewalk markets seem surprisingly well stocked with food and consumer goods. especially textiles. The supply of imports has surged in recent

European diplomat.

"There are shortages of things in the Iraqi market, but it doesn't affect me," said a vendor as he squatted beside his display of electrical fixtures and Spanish-made light bulbs. "Evcrything is available," although very expensive, he said.

Computers, too, can be found without difficulty. One dealer offered a brand-new, IBM-compatible desktop computer equipped with a high-speed, 486 microprocesser and Super VGA color monitor for about \$1,300. The dealer said he months as the government has could assemble it in a day from eased restrictions aimed at spare parts, then produced an stemming the flow of hard cur- unopened package containing a rency abroad, according to a Seagate hard drive with an August 1994 manufacture date.

Third Edition. Written by long-time foreign correspondents Alan Tillier and Roger Beardwood, and published by

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#### From Ashes in Kashmir

Whether it was Muslim terrorists or Indian troops who lit the fire, the burning of Kashmir's most sacred Muslim shrine last Thursday brings New Delhi's policies toward the rebellious province to a dangerous dead end. Neither military repression nor the promise of elections has succeeded in containing the violence that has left at least 20,000 people dead since 1990.

New approaches are needed, as the government itself seems to recognize in sending two top cabinet ministers on an urgent fact-finding mission to Kashmir. Efforts to begin good-faith negotiations with local opposition leaders and with Pakistan should be part of any new for-mula. So should a credible investigation of the fire itself.

It is not clear who actually ignited the two blazes that destroyed the town of Charar-i-Sharief and its 15th century shrine of Sheikh Nooruddin Wali, Kashmir's patron saint. Local Muslim leaders blame the Indian troops who had besieged the town for 10 weeks. New Delhi blames foreign Muslim terrorists infiltrated into the town with Pakistan's connivance. Either claim is plausible. Pakistan has not been vigilant about curbing

terrorist infiltration. Indian troops have

engaged in acts of brutality.

The basic approach to Kashmir followed by Prime Minister P. V. Narasimha Rao and his predecessors needs to be revised. Through five years of unrest, New Delhi has dismissed Kashmir's mass-based separatist movement as a creation of Pakistan and sought to repress it with military force. More recently. Mr. Rao has also tried to develop a political alternative to separatism based on granting Kashmir expanded autonomy within India. To that end, he has been planning to hold state elections there as soon as next month. But he has yet to make public his autonomy proposals. He has failed to establish the political groundwork in Kashmir for peaceful, credible elections and has not built support among the main political forces in New Delhi for eventual acceptance of autonomy.

New Delhi will be reluctant to change its approach in the face of what it claims to be externally sponsored terrorism. But the main goal now must be halting the spiral of murder and mayhem and quick-

- THE NEW YORK TIMES.

## The Budget, Seriously

Democratic complaints about Republican budget plans will continue to have a hollow and unpersuasive ring until the Democrats begin to come up with specific alternatives of their own. Until then, they will merely seem to be defending the present spending pattern, with its succession of \$200 billion-a-year deficits reaching as far as the eye can see, that President Bill Clinton projected in the budget he sent to Congress last February. That weak and directionless budget has given the incoming Republican majorities in Congress an opening that they have seized with joy.

Eminent Democrats denounce the Republican proposals for spending cuts as mean-spirited and wrong. But do the Democrats have anything better to offer? Mr. Clinton cannot have forgotten that he himself ran, successfully, against those big budget deficits three years ago. They are no more popular now than then. People sense that they are doing deep damage to the economy, and beyond that, the deficits have become a powerful symbol of political malpractice. The Republicans are right to try to push the budget to a balance in a contained period of time, and the White House makes a terrible mistake in fighting over the issue of whether, rather than how, to do it.

Regarding the questions of how, there are plenty of opportunities for Democrats to provide better alternatives. For example, the Republican proposal to turn

Medicaid into block grants - resulting inevitably in reductions in medical care for poor people, most of whom are children, or elderly or the totally disabled is a terrible idea. Even many conservative voters would react with dismay to the consequences of this kind of squeeze if it were actually put into effect. Some of the Democratic tacticians think it is clever to stand aside and wait for the Republicans to get themselves into trouble. But it would be more decent, and would avoid much suffering, if Democrats could intervene now with better solutions. The administration says that health care costs can be held down humanely only by a broad program of reform. That is doubtless true. What does it have in mind? Or is everything on hold until after the next election?

Mr. Clinton needs to think ahead to the end of the year and the resolution of this budget. One possibility is that the Democrats succeed in generating enough fear and opposition to spending cuts that a stalemate results and both parties. wounded, abandon the goal of a balanced budget altogether. That would be a real misfortune for the country. Another possibility is that the two parties begin to work together for a purpose that serves the national interest. That is much harder to accomplish. But it could happen if the Democratic politicians would stop playing it cute, and the president would lead on this issue.

- THE WASHINGTON POST.

#### **Bravo New Zealand**

Team New Zealand was favored to win the America's Cup this month in its jet black sloop, Black Magic 1. But no one foresaw a blowout - five straight victories for yachting's grandest prize. Congratulations, Kiwis!

Dennis Conner, the American skipper, sailed well to reach the finals, but his magic was not enough at the end. He holds the record for winning the cup, four times, but he is also the only American ever to lose it, now twice.

His past bouts with New Zealand gave this year's face-off an extra edge. In 1986 he said they cheated, and in 1988, when both sides violated tradition if not the rules, he beat them in a speedy catamaran. There is no one New Zealand would rather defeat than Dennis Conner. Beat him they did, with a faster boat

and a smartly seasoned crew. Doug Peterson, Californian co-designer of Black Magic, said it was "ridiculously fast"

from the beginning, and months of finetuning made it faster. The team was led by Peter Blake, who

set the record last year for sailing around the world in 74 days and 22 hours. Black Magic's crew has raced the boat together since late last year, and lost just one challenger match. Mr. Con-ner's crew had only five days to adjust to Young America, having won the U.S. trials in another, slower boat,

Yacht racers are saying that while Britannia rules the waves, America waives the rules. This year's rules, written by American yachtsmen, let Mr. Conner switch boats, but not the challenger. Mr. Blake promises to make the rules "fair for both groups" before the next races off Auckland in 1999-2000, and has already introduced changes. His feeling for fairness is another good reason to hail the Kiwi victory.

- THE NEW YORK TIMES.

#### Other Comment

#### Violence and Disease in Africa

Black Africa seems to be the victim of a curse from the heavens. Even as a cholera epidemic has been reported in Mali, where it has already claimed tens of victims, the Ebola virus continues to strike at the heart of Zaire. In its latest communique, the World Health Organization

has put the death toll at 77.

Whatever the final number, the epidemic of hemorrhagic fever that has the Western press so excited has nothing in common with the ravages AIDS has caused on the continent. Several hundred thousand people have already been felled by the virus. And a UN study says the epidemie could cause 11 million deaths from 1990 to 2005. In 10 countries, life expectancy at birth - a key indicator of social progress - is expected to decline

by the end of the century. In five other

countries it will stagnate. Behind the epidemics lies a daily vio-lence for which only man's murderous madness is responsible. Fed by civil wars, intercommunal tensions and rivalries between warlords, this violence rarely draws the attention of the international press. Indifference prevails even as the list of anonymous victims grows.

In Sierra Leone, an ambush on Sunday killed 20 people. The day before, in neighboring Liberia, 22 armed men were killed; the civil war there has caused more than 150,000 deaths. [In Nigeria], at least 18 people died in clashes between communal rivals. In Somalia, more than 100 refugees were listed as missing after their ship was attacked by pirates. For Africa, this was an ordinary beginning for a week.

- Le Monde (Paris).



International Herald Tribune ESTABLISHED 1887
KATHARINE GRAHAM. ARTHUR OCHS SULZBERGER
Cts.Chairman RICHARD McCLEAN, Publisher & Chief Executive

JOHN VINOCUR, Executive Editor & Vice President WALTER WELLS. News Ediant ◆ SAMUEL ABT. KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors . CARL GEWIRTZ. Associate Editor ROBERT J. DONAHUE, Editor of the Editorial Pages . JONATHAN GAGE, Business and Finance Editor RENÉ BONDY, Deputy Publisher - JAMES McLEOD, Achterising Dunctor JUANITA L CASPARL International Development Director DIDIER BRUN. Circulation Director.

Directeur de la Publication: Richard D. Simmons Directeur Adjoint de la Publication: Katharine P. Darrow.

International Headed Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Scine, France. Tel.: (1) 41.43.93.00. Fax: Circ.. 41.43.92.10; Adv.. 41.43.92.12. Internet: IHT@eurokom.ie

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Pres.U.S. Michael Control, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-869, Fuz. (212) 755-8755 V.K. Advertising Office: 63 Long Acre, London WC2, Tel. (171) 836-4802, Fav. (171) 240-2254

S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126, Commission Partaire No. 61337

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## South China Sea: Build Security in a Growth Area

MANILA — Chinese military activities in the Spratly Islands of the South China Sea have fueled concerns about stability in the Asia-Pacific region. But the occupation structures built by China on Mischief Reef and other unoccupied islets claimed by the Philippines do not necessarily signal significant change in Beijing's strategy since it started expanding its presence and putting up

markers in the disputed area in the 1980s. In fact, China is a latecomer to the Spratlys. The other major claimants — Taiwan, Vietnam, Malaysia and the Philippines - had fortified the largest isands in the area before Chinese soldiers began occupying remaining smaller reefs and atolls. The fortifications and occupation structures are used by the countries that built them to back their claims through actual presence, rather than to directly threaten each other.

unlikely to explode into war soon. But it could in future if nothing is done to defuse the situation in the next few years.

lys and its bases on Hainan Island.

tion and block Chinese expansion.

China's future actions will be crucial. Its claims, like those of Taiwan, encompass virtually the whole of the South China Sea and the major sea-lanes through it. Other claims are more limited.

from other big powers. Any move to enforce China's claim to the South China a fundamental change in the status quo.

Beijing would certainly like full control over the South China Sea. But if it carefully weighs the risks and costs of conflict against the benefits of continued peace, its more realistic option is to eventually settle for less. Its continued buildup of its air and naval forces, along with expansion of its presence in the Spratlys, has already rekindled apprehensions in the region about its intentions.

cerns which it considers vital to its survival as an independent state. These concerns appear to have more to do with security than economics (control over oil. gas and fish resources). Beijing, after all. has agreed to share the resources with other claimants through joint ventures. But it has refused to share sovereignty.

It would be wise for China's neighbors to also look at the issue from a Chinese By Julius Caesar Parrenas

maritime flank secure.

The situation in the South China Sea is None of the claimants appears anxious

to resolve the issue of sovereignty just now, since they are still trying to strengthen their respective bargaining positions. China is waiting for the day when it has a credible blue-water navy and more effective long-range combat aircraft to bridge the gap of close to a thousand kilometers between the Sprat-

The other claimants are also modernizing military forces that could be used to defend positions in the Spratlys. Vietnam, Malaysia and the Philippines hope to benefit from collective solidarity in the Association of South East Asian Nations, which Vietnam will join in July, as well as from increasing involvement of major powers, such as the United States and Japan, to protect freedom of naviga-

China is the only claimant which is a major military power, and its assertion of control over such a strategically important area is likely to provoke reactions Sea will be regarded by everybody else as

However, China's actions reflect con-

perspective, rather than jump to the conclusion that its intentions are purely ag-gressive. In this way, mutually acceptable

solutions that address the most basic concerns of all parties can be found.

Seen from Beijing, the South China Sea is a gaping hole in national defenses through which China has been and can through the object that he had been and can be a sea to be a sea of the s still be threatened. In the 19th century, British and French fleets dominated these waters from bases in Southeast Asia. The Americans did likewise from Subic Bay in the Philippines during the Cold War, as did the Soviet Union from Cam Ranh Bay in Vietnam in the 1980s. It seems that one of Beijing's paramount concerns today is to make its southern

China's security interests may hold the key to defusing the Spratlys dispute. Beijing must realize that its long-term secu-rity goal cannot be achieved by transforming the South China Sea into a Chinese lake guarded by its own naval power. At the same time, its neighbors

must take into account its concerns about possible threats coming from the south.

ASEAN — which links Brunei, Indone-

sia, Malaysia, the Philippines, Singapore and Thailand -can play a central role in forging a mutually beneficial arrangement. Cautious Chinese acceptance of ASEAN and its enlargement with the entry of Vietnam in July shows that Beijing considers the group more as a future part-

ner than as a potential enemy.

ASEAN and China should start to deepen their relations now and lay the foundations of a strong partnership based on respect for each other's vital security interests in the South China Sea. To help allay Chinese concerns, ASEAN should continue efforts to help build a framework of Asia-Pacific cooperation that minimizes suspicions and threat perceptions among countries in the region.

By expanding mutually beneficial trade and investment, ASEAN, China and Taiwan can form a ring of economic growth and cooperation around the South China Sea. U.S., Japanese and other foreign investment will enhance the stake of various governments in the

peace and stability of the area. That in turn will reassure China that its security

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will not be threatened from there. It will also give China and other countries a stronger interest in preserving freedom of navigation in the region.

The issue of sovereignty will probably

not be resolved in the immediate future. When and how it is resolved will depend very much on whether threat perceptions or the benefits of cooperation and trust are uppermost in the scales. The more there is of the latter, the greater is the chance of a peaceful seitlement.

If a growth area can be created in and around the South China Sea in which goods, services, capital, people and information flow freely, then the issue of sovereignty may no longer be worth the trouble of converting marketplaces into

The writer is director for international and strategic studies at the Center for Re-search and Communication in Manula and a trustee of the Philippine Council for Foreign Relations. He contributed this comment to the International Herald Tribune.

## Big China Needs to Behave as a Good Neighbor

SINGAPORE — Because of its size, proximity and potential power, China can easily arouse unease among many of its Southeast Asian neighbors. Such apprehension is often compounded by latent resentment in the region at the dominant role of local ethnic Chinese in commerce and memories of Beijing's support for revolutionary communism in these countries during the Cold War.

China needs to act as a model good neighbor to allay suspicions and build confidence. Yet to many Southeast Asians it seems to be doing the opposite in the South China Sea. The recent incidents involving China and the Philip-pines in the vicinity of Mischief Reef in the disputed Spratly Islands are the latest manifestation of this.

Even though some other claimants to the Spratlys have been consolidating their presence, the spectacle of a permanent member of the United Nations Security Council and a potential superpower planting territorial markers and building occupation structures on reels in new areas also claimed by the Philippines, which is a far smaller and weaker country than China, is a troubling one.

Beijing has said it does not want to deal with the South China Sea dispute in the 18-nation ASEAN Regional Forum set up to handle just this kind of issue. It prefers instead to deal one by one with its much smaller neighbors. Such behavior makes it difficult to accept at face value China's ritual assurances that its intentions in the region are benign.

There is much concern in Southeast

Asia about the extent of Beijing's claims to the South China Sea itself, as distinct from the Spratlys and other disputed groups of islands and reefs. Do the Chinese maps showing a broken line encomBy Daljit Singh

based on some vague historical consideration, is baffling to Southeast Asians.

Beijing's claim is also ominous because it overlaps territorial claims, exclusive economic zones and continental shelves of Southeast Asian states. If accepted as valid, it would turn much of the South China Sea, through which vital trade routes pass, into China's territorial waters and bring the maritime boundaries of China into the heart of Southeast Asia.

The motives behind Beijing's claim are unclear. Some observers point to the resources of the sea and seabed. On the threshold of the 21st century, a quest for territory to obtain resources seems a singularly old-fashioned route to economic power. Resource-poor countries like Japan, South Korea and Singapore have shown that modern economic strength comes from skills, organization and technology combined with the ability to trade. Another motive sometimes ascribed to

China's actions is strategic. Does Beijing want to assert control of the South China Sea as a lever to attain strategic dominance in Southeast Asia? If so, both the means and the end are likely to be contested by other major powers who will view them as cutting across their vital interests. Surely China must know this. Or is it engaged in a preemptive move

to prevent some potential rival from seeking to dominate Southeast Asia in future, thereby threatening China's southern flanks? But a quest for security which produces insecurity for others is likely to be counterproductive and invite the very situation it was intended to prevent.

Much of East Asia is at peace after many decades of conflict and tension. passing much of the South China Sea Most countries in the region, including define the country's territorial waters, as China, are busy with economic developmany believe? This tongue-shaped claim, ment and modernization. China has a tional Herald Tribuse.

unique historic opportunity to become a modern prosperous great power, some-thing which has eluded it for a century.

But it needs a peaceful and secure environment and the cooperation of the outside world to achieve this status. In the right conditions. China will be a mighty economic and military force in a few decades. Influence in Asia will then come naturally. It will be all the greater if China is also trusted and respected as

a benign neighbor. For the first time in more than a century, China is free of external domination. or threat. In the past two decades it has come a considerable way in reintegrating itself with the outside world. But its reflexes and psychology are sometimes still those of a country beset by a hostile world. China has to shed the baggage of history and come to terms with the realities of a modern, highly interdependent international community.

Much is now being done to educate China, but clearly it will take time for habits of thinking to change. The question is whether, before that happens, the region will spin into a vicious cycle of suspicion, tensions, declining economic cooperation and arms races.

The dangers in the South China Sea cannot be ignored. All parties to the disputes there should work toward a solution that accords with international rules and keeps the sea open to naviga-

Beijing's responsibility is clearly greater than that of the other parties. It is the only big power directly involved, it has far-reaching claims in the area, and it is a permanent member of the United Nations Security Council.

The writer, a fellow at the Instinute of contributed this comment to the Interna-

## Nuclear Iran: A Time to Ask Who America's Allies Are, and When

N EW YORK — For America, the purpose and test of power is the ability to get things done that protect its security and interests or ward off dangers to them. In the use of power — economic, political or military — America can act alone or with allies.

What is an ally? Who are America's? And when? Full time? Or as temps, now and then? At a time when Americans are increasingly edgy about using mili-tary power, will America use its economic might to protect its secu-

rity? Will America's allies help? If not is America willing to use that economic power to force its allies, plus Russia or China, to respect its security and interests - or at least not interfere with

WASHINGTON — Large stretches of tropical rain forest will be wiped out if Asian

timber barons succeed in cutting

billion-dollar deals with impov-

Asian investors, the two coun-

tries would essentially give away

their forests, sacrificing a vast

stake. These ancient forests are

home to tens of thousands of

indigenous people and to a

wealth of tropical species.
Selling off forests promises

Suriname and Guyana quick re-

lief from economic calamity.

Suriname is sinking under an

annual inflation rate of more

than 500 percent. Guyana has

one of the world's highest per

To log a quarter of Surina-

me's terrain, investors includ-ing Berjaya of Malaysia, Suri

Atlantic and MUSA of Indo-

nesia and two Chinese compa-

nies are offering investments that total about \$500 million.

almost equal to Suriname's

timber magnates a quick one-

and timber prices rise, major

exporters like Indonesia and

Malaysia are getting tough with

Tropical rain forests offer

As Asian forests are depleted

capita foreign debts.

gross national product.

time cash bonanza.

Far more than money is at

productive resource.

Under contracts drafted with

erished Suriname and Guyana.

them? If not, is the United States still a superpower, or is it playing expensive games of self-delusion?

The questions rise out of Iran's plans to produce nuclear power that could be used for nuclear weaponry. The United States believes that making Iran an economic outcast would stop Tehran. But Russia and China keep selling Iran the technology, materials and specialists of nuclear potential. Western Europe acts as if economic pressure against a terrorist state were an idea indelicate

beyond the point of obscenity. Iran now says it is not building one nuclear plant. It plans to build 10 over the next two de-

Rain Forest Doesn't Have to Be Felled

By Nigel Sizer

taxes, banning raw-log exports. Suriname and Guyana are obvi-

ous targets for foreign compa-

nies eager to find a new supply.

forests has wide implications.

Housing the vast majority of the

world's species, tropical forests underpin future medical and ag-

ricultural advances. They are

also critical to the earth's water,

estry experts has analyzed the

proposed Suriname contracts. Close inspection reveals no bo-

nanzas. Most of Suriname's in-

come would flow from a corpo-

rate tax, which the companies

could easily evade. Suriname would be likely to raise only a

quarter of potential revenues at

best, and it might end up a net

loser once costs of insuring

ana's government, along with Britain, Germany and the World Bank, has negotiated a package

of assistance on the condition

that no new major concessions

Meanwhile, Enrique Iglesias, president of the Inter-American

Development Bank is leading

efforts to help Suriname survive

its immediate economic woes

agreements be signed.

their own producers - enforc- and seek the enduring gains that

ing long-ignored laws, raising careful use of its tropical forests

There is reason for hope. Guy-

compliance were factored in.

A team of international for-

carbon and oxygen cycles.

The battle over Suriname's

By A. M. Rosenthal cades. Ten -that is not simply a number. It is a strategy, defensive.

and offensive. In 1981, Israel knocked out Iraq's nuclear weapon drive by a surprise strike on one plant, Iran's strategy scatters plants around the country, making a preemptive strike virtually impossible.

U.S. experts say Iran will be capable of producing material for nuclear weapons in three to five years. And Kenneth Timmerman. the enormously knowledgeable arms expert, reports in The Washington Times that for six years Iran has built stockpiles of uranium and other weapons-grade material, unguarded and uninspected.

would confer. Mr. Iglesias is

trying to work out a win-win

agreement with the president of

The signing of the contracts

would be postponed for at least

three years if the country's ail-

ing economy receives around \$5

million a year in cash for three years to build institutions, train

foresters and develop commer-

cial alternatives such as nature-

This relatively small sum

would vield an excellent return

if it bought time for a perma-

nent solution, helped a strug-

gling government protect its

vast and ancient rain forest and

ensured the survival of unique

cultures. More than 10,000

Amerindians and other tradi-

tional tribal peoples would be spared the indignity of seeing their ancestral home overrun.

International aid could re-

lieve both countries of the need

to trade their forest assets for quick cash and lasting disaster.

est shareholder in the Inter-American Development Bank.

By supporting the bank's efforts

and encouraging Canada, Japan, the Netherlands and others

to chip in, Washington could

The writer, an associate at the

World Resources Institute, con-

tributed this comment to The

help stop cut-and-run logging.

The United States is the larg-

based tourism.

Suriname, Ronald Venetiaan.

A nuclear Iran would be a threat to the Gulf states, Israel and Turkey and every other object on its hate list, headed of course by the United States. Would Iran supply nuclear weapons to its protesé terrorist groups? The mere possibility would hugely increase their power.

President Bill Clinton did what his predecessors did not: He ordered an embargo on American trade with Iran. That removed Iran from the American market, and a burden of hypocrisy from the United States. But Germany, Japan, Italy, France and other U.S. allies that

have been selling high-techno-logy tools, pesticides or other products so useful in modern war told Mr. Clinton to take his embargo and run along. Communist China and North Korea have not been that courteous. They just send more material, missiles and specialists to Iran. In Moscow, President Boris

Yeltsin was appreciative of Mr. Clinton's visit — but not enough to cancel Russia's deal to build a nuclear plant in Iran, the centerpiece of the new Iranian network. Having cut off its own trade.

the United States can and should now let its allies, plus Russia and China, know what it will do to persuade them to help prevent a nuclear Iran Next month at a meeting in

Halifax of major industrial na-

tions, including Russia, the United States will try again to convince them to join in economic measures against Iran. They should also be told that if Mr. Clinton fails, either he or Congress will bar imports into the United States of companies that do business with Iran as formally proposed by Senator Alfonse D'Amato, Representative

Peter King and other legislators. Europe would be shocked they don't believe Mr. Clinton has it in him. Even Beijing might. be less haughty. The companies peddling equipment and specialists to Iran are part of the economic empire of the Chinese army, which provides a superb-cash flow to the Politburo.

States down again, Washington will have to choose between the likelihood of making more Russian nationalists mad at him and the certainty of making Iran nuclear. Closing U.S. ports to imports of Russian companies and agencies that build Iran's nuclear. capability might work. If not -then suspend American aid. Anything else would turn the United States from Mr. Yeitsin's friend,

clear power. But there is a bonus-- getting some clear answers to the questions in the opening paragraphs of this column.

#### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1895: Boastful General

Cheng has been degraded, but retains his governorship. Wu-Ta-Cheng is the same man who me-morialised the throne last sumbadly as in this war.

BERLIN - A band of fifty men

claimed a Soviet Republic at Sangerhausen, in the Prussian pro-

more than 500,000 marks, requisitioned a quantity of clothing. and rode away in stolen autos. Their reign lasted a few hours. The gang was composed of mem-bers of the Workers' and Communist Party of Sangerhausen, and Haile, a nearby town. Many of them are not yet of voting age.

#### 1945: Atlantic Hazards LONDON - For the next eigh-

teen months at least, travel to Europe by air will be much safer, than travel by sea, as it is expected to take a year and a half to clear the waters around the coasts of mines. The minesweeping task in the North Sea and in the Channel is expected. to provide as great a problem as that in the Mediterranean. where work has been going on since the capitalation of Italy, eighteen months ago and has not

MIX

If Mr. Yeltsin turns the United to his hostage.
The goal is to block Iranian au-

The New York Times.

#### TIENTSIN - General Wu-Ta-

mer for leave to invade Japan at the head of two thousand Hunan braves. Considering how feeble have been Wu-Ta-Cheng's per-formances in Manchuria with two hundred thousand men, it must be admitted that his boast was pre-mature, to say the least. The Chinese troops never were so well equipped and never fought so

and boys yesterday [May 15] pro-

1920: Brief Soviet Reign vince of Saxony, robbed the banks and the city treasury of

been completed yet.

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## Help the World's Women — Development Will Follow

By Hillary Rodham Clinton Mrs. Clinton traveled through South Asia from March 24 to April 6.

WASHINGTON - The Women's Bank is a one-room building in Ahmedabad, a textile center in western India. The teller's counter is an old kitchen table covered with cloth, Bank clerks record all transactions by hand, on yellowed sheets.

The second secon

When I visited, I saw poor women who had walked 12 to 15 hours from their villages to take out loans some as small as \$1 — to invest in dairy cows, plows or goods that could be sold at market

The bank, brainchild of a Gandhi disciple, Ela Bhatt, was founded by the Self-Employed Women's Association, or SEWA. Many of the women in this trade organization rank among the poorest, least educated and most ostracized in India

Today, the bank has more than 40,000 members and assets exceeding \$2 million. Women run the bank, and only women are allowed to make deposits and borrow money.

The result is impressive: Against enormous odds, Indian women are transforming their lives.

This is one of many images that stayed with me after my trip through South Asia — a trip made more meaningful because I shared it with my 15-year-old daughter.

In each country we visited - Pakistan, India, Nepal, Bangladesh and Sri Lanka — we saw women struggling to overcome poverty, illiteracy, madequate health care and deeply rooted cultural barriers, by joining together to increase their earning power. SEWA is but one example of how women have organized around their capacity as borrowers, lenders and savers to achieve greater economic autonomy for themselves and

greater prosperity for their families. The South Asian experience offers a simple lesson: that investing in people, especially women and girls, is as essential to the prosperity of the global family as investing in the develop-ment of open markets and trade.

Women comprise more than half of the world's population. They care for most of the world's children. And they do more than their share of the world's work. Investing in their education and health, and assuring their full political, economic and social participation in society, ought to be the bottom line in any development equation.

In country after country, women have demonstrated that, when given the tools of opportunity - education, health care, access to credit, political participation and legal rights -- they can lift themselves out

of poverty and, more important, lift their families, communities and nations as well

Education plants seeds of prosperity for women around the world. I saw examples of the way schools in South Asia are reshaping the social and economic landscape. The Prayas School in India is a volunteer effort. founded by wives of professors at the Indian Institute of Technology. The school serves the poorest women and iris in the neighboring slums of New Delhi, offering classes for young girls and training women to make ceramics, jewelry and other artifacts that they can sell for profit.

In Bangladesh, where the literacy rate for women is 29 percent (compared with 45 percent for men), a nongovernmental organization has established 27,000 schools, most of whose students are girls. A government-run school I visited in Bangladesh offers material incentives to parents to send their children, especially girls, to attend. As an American, I was proud to learn that many of the grass-roots enterprises I witnessed were succeeding because of direct assistance from the United States to governments, nongovernmental organizations or U.S.-supported international organizations

such as the World Bank. Like Bangladesh, Pakistan is de-veloping its rural schools. At the Lahore University of Management Sciences, a center of higher learning in Pakistan built with support from the U.S. Agency for International Development, I saw dozens of young women who are training along with their male counterparts to become leaders of their nation's growing business

and investment sectors. These projects are proof that American aid, both financial and technical, has provided the tools of opportunity to those people and nations that have shown a courageous commitment to democracy and a market economy. Today, that American aid remains critical.

It probably bears mentioning that an emphasis on girls and women is not meant to exclude or diminish the rights or interests of men. Men everywhere face challenges and obstacles as they seek to fulfill themselves and their responsibilities to their families. But around the world. women represent a disproportionate number of the poor and vulnerable. Investing in women strengthens families and communities, which

The Washington Post.

## Neither the Women's Kingdom Nor What We Have Now

NEW YORK — This spring I have read "My Mother's House," the Modern Library's new edition of Colette's memoir of her childhood and of her mother. Colette's writing was warm, rich, funny and painful. It brought her long-buried family back to life. complete with their slow, full days, jealous and enveloping family loves, and uncomplicated daily rituals - the blue enamel pot for the hot chocolate, the bunch of just-picked flowers tied with a stem and tossed over a garden wall to a neighbor.

Colette painted a portrait of a time when families were still tribal and trapped togeth-

#### MEANWHILE

er. Reading her memoir, I recognized that a whole human sphere has died since she wrote it: the women's kingdom.

Men used to live in the women's kingdom, too. They left it to go to their offices or their plows, but they returned to it inexorably and unthinkingly for meals, for a fire, for human company. Food had to be made. and almost always, women had to make it. which meant more or less that men needed a ermanent visa into the women's kingdom if they wanted to live in some comfort. Women, in any case, could rarely leave it.

As Colette painted her memory of her childhood house, with its damp stone walls. sagging wisteria arbors, panting dogs and gardens "where the smell of tomato leaves mingled in July with that of the apricots ripening on the walls," she invested her mother into every part of it, as the force that moved and sustained it.

Colette's mother, I realized, was the "angel of the house" Virginia Woolf wrote about early in this century, who she said would have to be sacrificed if modern woman was ever to be born.

Colette and her brothers would hide from their nearsighted mother when she came By Liesl Schillinger

looking for them in the coveted moments of stolen time before dinner. Her mother would call for them, nervous as a cat who had lost her kittens. "Children! Where are the children?" But they wouldn't answer.

Colette wrote: "My mother would throw back her head and gaze heavenward, as though waiting for a flock of winged children to alight from the skies.

Most of the women I know, and presumably many other American women, approach the question of having children with great wariness. Not only do we worry about the financial burden, the constraints on freedom, the loss in status and the physical challenge of childbearing, we remember growing up as the children of working wom-

As we reach and pass the age when our mothers gave birth to us, we remember the resentment we felt that our mothers had other priorities besides us, even as we admit our respect for their careers and their minds, and appreciate that they showed us how to work and have a family at the same time.

And yet, like Colette, do we really want to repeat their lives? Can we raise children in today's world with any confidence that we can make them reasonably happy, while eeping ourselves reasonably sane?

This is a scary time to contemplate parenthood in America, not only for women but for men as well. The mission of parenthood once was to raise children to be smart. happy, productive and employable adults. In fact, even fulfilling the old mission is beyond the reach of most Americans now. The sad truth is that the family life that conservative pundits are so eager for Americans to resume cannot be; it is a luxury that the country cannot afford.

The country cannot afford to keep wom-

when they don't want to. And this punishes not working mothers, not working fathers. but the children, who grow up with patchedtogether care that their parents can ill afford. and with parents too busy earning them their educations, their clothes and the roofs over their heads to spend time with them.

All too often, parents live in the workplace, children at school; the home is a pit stop. And yet, whether or not anyone has time for it, children still need parental attention, just as they always have.

I remember something my younger brother said when my parents, exhausted from their careers, their household chores, their orchestration of our daily rehearsals and practices and applications and gym shoes, resisted his harping request for a new puppy,

"Surely we don't need a dog?" my father said to him, a little pleadingly. My brother, naybe 12 at the time, just looked down at his feet and said, "Well, it would just be nice to have someone in the house who was glad to see me when I got home."

"On the other hand — sure, let's get a dog," my father acceded heartily, thrown willy-nilly over the barrel of modern parental guilt.

Most Americans cannot afford a house, a car and the upkeep of two children and two adults on one salary. Champions of family values bruit the need for the American idyll on the floor of Congress, to cover up the sounds of that idyll's suffocation - the shortage of subsidized day care, the neglect of the public schools, where the children of

the rich do not go. Look at the airwaves and movie screens and you will see the real picture Americans have of family. There are no tomato vines and trellises, quiet children and hot chocolate, but a grotesque fun house mirror: the leering and malicious Bundys, for example, on "Married With Children." On the talk shows, the endless talk shows, young wives

loved them - publicly crucifying the young men for ever having believed in marital trust.

In the last century, children had to be accepted and dealt with. When Mark Twain remarked that "babies are an inestimable blessing and a bother," he spoke with an indulgence that bespoke inevitability. Every-one had babies, children were underfoot, you were stuck with the hand you were dealt. and there it was.

Today, birth control can guarantee that having children is a choice rather than an accident, and parents who plan excitedly for the arrival of a child do not anticipate the sacrifices that birth will bring.

Quarantined as they are by the adult office world, people forget that children will take all you can give and never say thank you, and they will always act as if you could have given more. And although they love you, they ultimately are more interested in your love for them. Children do not want to think about your happiness; they want you to think about their happiness. In other words: Children are exactly like the rest of us, only smaller.

And yet, most of us will one day have children, and face the consequences later. Because whether or not our culture is conducive to child raising, the ghost within us all which remembers running barefoot on green grass, waiting to taste too-hot strawberry pies, laughing to the point of tears with cousins, and sitting by the chlorine-smelling pool in the summers that have no hours that ghost of childhood pleads with us to close our eyes and take a chance that everything will still be possible all over again.

In the boardroom and the bedroom, that ghost within us whispers whether we want it to or not, "Where, oh where, are the children?

Liesl Schillinger is a New York writer. This comment is abridged from an article in The

#### LETTERS TO THE EDITOR

#### A Difference for Asia

Of late, as a result of former Defense Secretary Robert McNamara's book, there has been renewed breast-beating in the United States about America's participation in the Vietnam War. Admittedly, American leaders had underestimated the power of local nationalism, and there was too much arrogance about America's capacities, both financial and military. However, it was the mighty presence of American forces in Indochina, with well-developed facilities to launch operations inland, that turned the tide in another, far more crucial, sphere.

In the 1960s, Chinese expansionism was at its peak, behind the audacions Mao. It was the growing American involvement in Vietnam helps everyone in society.

that persuaded China to practice restraint and caution at a crucial stage. It ultimately led to China seeking a modus vivendi with the United States — with results that changed contemporary Asian history. Americans did not die in Vietnam in vain. NARENDRA SINGH.

Sarila, India. The writer is a former Indian ambassador to France.

## A History on the Fringe

Regarding "The Far-Right Bomb-ers Aren't New to the Job" (Opinion, May 2) by Frank Rich:

Mr. Rich links far-right terrorism in America to the anti-abortion movement. But it has a much longer history. Most conspiracy politics and

terrorist activity in the United States has come from rural areas and belongs on the conservative side of the political ledger, whether represented by Republicans or Democrats.

One thinks of the Ku Klux Klan reasserting white supremacy in the South through terror and "Bourbon Democracy" in the 1870s and 1880s; or of Father Coughlin's radio hate in the 1930s, applauded by Republican conservatives busy with their own vilification of Franklin Roosevelt as a 'Communist." It was not the "pinko" Henry Wallace in the wartorn '40s but the principled Republican Barry Goldwater in the prosperous '60s who said. "Extremism in the defense of liberty is no vice." Lyndon Johnson confided to his biographer that he kept the Vietnam War going for fear of a "right-wing" backlash similar to the "Who lost China?" smear campaign in the '40s and '50s. And today, Pat Robertson, leader of the Christian Coalition, a conservative lobby, thinks that "cosmopolite" bankers with Jewish-sounding

names have been acting as agents

of Satan since the 18th century. Are Americans finding the Oklahoma City bombers hard to place in the American shape of things? Forget abortion clinic bombings, study American politics; American conservatives ought simply to look in the mirror. Maybe then they will understand that when the Black Panther H. Rap Brown said, "Violence is as American as apple pie." he was referring not just to Al Capone but to his fellow citizens.

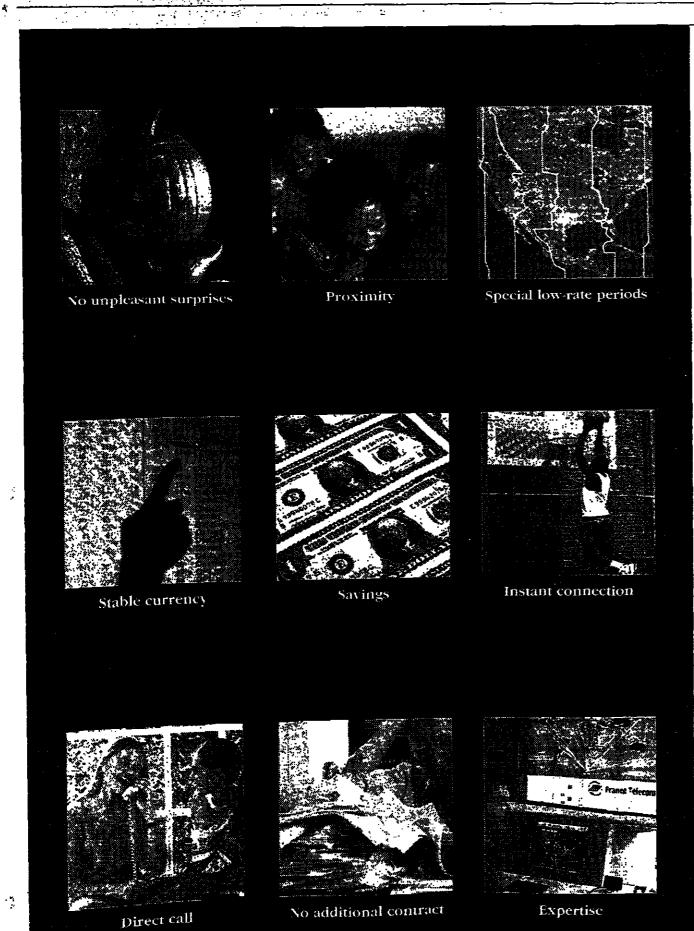
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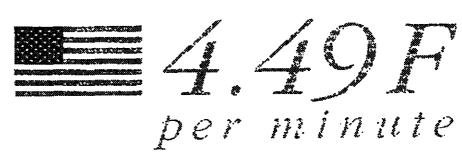
#### Canada Was Quite Right

The Law of the Sea treaty gives, nations the right to "innocent passage." It gives no nation the right to plunder ocean resources, nor does traditional maritime law. The Spanish fishing vessels that were stopped by Canadian patrol boats were not engaged in "innocent passage."
They were fishing illegally.
Canada should be congratulated.

It has fulfilled an international responsibility after, in effect, finding Spain with its hand in the till. The European Union's support of Spain made a mockery of what a united Europe should be. Brussels ought to have disciplined Spain and apologized to the world

BARRY EDGAR. Epalinges, Switzerland.





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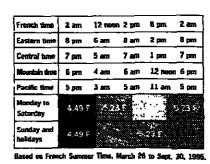
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## Cannes: All the Bad News

By Joan Dupont

ANNES - This year, the poster is not by Fellini or Kurosawa, as in festivals past, but a product of "electronic imaging," designed to evoke the history of world cinema. It shows a beach scene with sunlight penetrating black and white skies above a seascape of old stills. The famous "Gone with the Wind" embrace between Vivien Leigh and Clark Gable dominates; also riding the waves is the pandemonium scene from Eisenstein's "Battleship Potemkin," carriage bumping down the Odessa steps. And out of the pram, a pink-cheeked baby

Gilles Jacob, announcing the selection for the 48th Cannes festival, which opens Wednesday, referred to this didactic and hideous poster, like a general demonstrating strategic points on the map. No doubt that it reflects a hodgepodge image that haunts festival organizers — stormy weather on the beachhead, the enduring power of Hollywood, with the baby representing a ray of hope.

The situation is not brilliant, said Jacob, who has been in charge of the selection process since 1979: after viewing a record 409 films this year, he emerged with a slate of 20. "I sound pugnacious because we saw so many films that have no artistic value or any vital reason for being made. And there's nothing more exhausting than seeing bad movies. The state of world cinema is bad. There's a real script crisis."

ema is the oldest, so we're celebrating ahead of other countries." The old-timers — Ford, Tarkovsky, Fellini — will be duly feted, favorites invited back, and, hopefully, a new generation of filmmakers launched.

Every year, Jacob goes to Los Angeles, scouting for fresh product, campaigning to win over wary studio chiefs who hesitate to commit films to the trial by fire of competition at Cannes. Recent Palme d'Or winners — "Sex, Lies and Videotapes,"
"Barton Fink," "Wild at Heart," "Pulp Fiction" — were made by the smaller, independent studios and are tongue-incheek versions of the European film noir.

icans seem to be the only ones who know how to turn out a script that suits the studio and the public. There's no war between "The new generation of French film-America and Cannes, but Hollywood has a problem: if a film hasn't been released and had its run in the U.S., they don't want to take the risk of exposing it to criticism at Cannes. Directors like Spielberg and Woody Allen have submitted their films, but the people who produce blockbusters

James Ivory's "Jefferson in Paris,"
Nicholas Hymer's "The Madness of King George," and Tim Burton's "Ed Wood" have all had their run. The more risky American entry is "Kids," by photog-rapher Larry Clark (known for a book titled

The first hundred years of cinema will be that portrays teenage sex in the AIDS ago celebrated all during the festival. "Our cin- and has already created a fracas within the Miramax-Disney partnership.
Cannes, the biggest international show-

case for premieres, misses out on Hollywood's fresh crop of summer entertainment the movies that pack in crowds. "We need the excitement of the premiere," admits

The competition is rife with serious themes that treat the contemporary scene sex, drugs, AIDS, wars and racial conflicts, from Burma to the Balkans, titles like "N'Oublie Pas que Tu Vas Mourir" (Don't Forget That You're Going to Die) and "La Haine" (Hatred). Jacob insists on the note of renewal, of budding auteurs-"If you describe the plot of 'Pulp Fiction,' it sounds impossibly gory, but the movie is made with so much humor. American have been handed down by cinema's founding fathers, Louis Lumière and

> makers — Xavier Beauvois ["N'Oublie Pas que Tu Vas Mourir"] and Mathieu Kassovitz ["La Haine"] — treats these themes directly, realistically, a tradition that dates from Lumière. The dramatic, romantic trend dates from Georges Méliès. Look at a movie like 'In Cold Blood,' [adapted from Truman Capote's book, directed by Richard Brooks] — the subject was realistic, cinéma vérité, the treatment dramatic."

There is a difference between American cinéma d'auteur and French cinéma d'au-

The French film "La Cité des Enfants Perdus" by Marc Caro and Jean-Pierre Jeunet opens the festival at Cannes.

exception for Jim Jarmusch, a director who derworld peopled with clones and monwears a certain French idea of cinema with sters, where a character named Krank style and is back with "Dead Man," a steals children's dreams. More Méliès than

"Jim's spin on the western is original and in black and white. We have several black-and-white films in competition and rest of the world, which often means a love the aesthetic choice."

The festival opens with a French su-perproduction, "La Cité des Enfants Perdus," by Marc Caro and Jean-Pierre Jeunet. This made-in-studio movie that cost as much as the classic "Cyrano de Berg-erac," and looks more like the bizarre cult teur, says Jacob, because of the Hollywood film "Brazil," has already pushed critics' 'Teenage Lust''), an incendiary first film influence on independent filmmaking. "In love-hate buttons. Caro and Jeunet, who

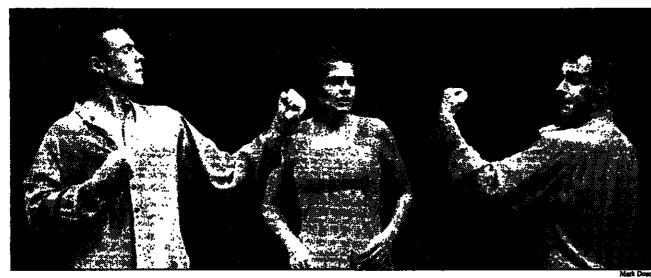
Lumière for sure.

Once again this year, the competition seems to be split between America and the French coproduction. Despite ongoing criticism of French "protectionism," France has a far-ranging policy of coproduction. Christopher Hampton's "Carrington." the odd love story between Bloomsburies Lytton Strachey and Dora Carrington, Zhang Yimon's "Shanghai Triad," about a gang war in China in the '30s, Emir Kusturica's "Underground," a

America, even the ameurs dream of being directed "Delicatessen," have created anpicked up by Hollywood." He makes an other special effects universe, a dank unother special effects universe, a dank unmane Cissé's "Le Temps," a film about apartheid in South Africa, are among French-funded films in competition.

Jacob considers "Carrington," starring Emma Thompson and Jonathan Pryce, a good example of the way to go: "The successful coproduction is not a Europudding. It means financial input, and leaving the artistic choices to the director."Playwright and screenwriter Hampton makes his debut as director.

Rarely has a festival had so many titles that spell doom. A great one to watch for, "Things to Do in Denver When You're Dead," is a first film by Gary Fleder that is being shown in the non-competitive sec-



Toby Stephens, Emily Raymond and Kevin Doyle in "A Midsummer Night's Dream" at the Barbican.

## The One the Abbey Turned Down

By Sheridan Morley

for the circumstances and conproduction. This was the play that the Abbey in Dublin turned down, thereby causing that theater to lose forever its greatest dramatist and O'Casey to lose huddle around a cannon or a forever his Irish homeland.

True, he was already in exile at the time he wrote it in 1927: but there had always been the thought that he might go back, at hell of a play," moving it least until Yeats wrote him a through battlefields and milirejection of the script on the tary hospitals and soccer-club rather curious grounds that as dances to its final, awful con-O'Casey had not fought the clusion of fate and futility and Great War he had no right to write about it, an argument that would similarly have denied the Abbey most if not all of Shake-speare, except possibly "The Merry Wives of Windsor."

In truth, even now in an admirable new revival at the Almeida, "The Silver Tassie" is a long way below the Dublin "Jeffrey" ran a couple of years best of O'Casey, lurching as it off-Broadway, won the 1993

LONDON THEATER

crippled soccer hero destroys the trophy of the title.

lived to fight the peace.

In a strong cast, Stuart Graham, Brendan Coyle and Pat Laffan are outstanding. An example of a nontraveling

hit can currently be found at the

way of apocalyptic fantasy, comes over to us looking just return to it, by which time we rather as though T.S. Eliot were terrible, as though a series of are alas way past caring. ONDON — Sean to have written "Journey's half-finished undergraduate of Casey's "The Sil-ver Tassie" is, ironihave had a go at "Oh, What a cally, most famous now Lovely War!"

ONDON — Sean to have written "Journey's half-finished undergraduate cabaret sketches about gay life in New York had been cobbled to gether rather too quickly by the cally with the fertishing to device of the latter of the Barbican from last leather dress to connect the Mickey New York had been cobbled to gether rather too quickly by the latter of the Barbican from last leather dress to connect the Mickey New York had been cobbled to gether rather too quickly by the latter of the Barbican from last leather dress to connect the Mickey New York had been cobbled to gether rather too quickly by the latter of the Barbican from last leather dress to connect the Mickey will, with the fertishing the latter of the Barbican from last leather dress to connect the Mickey will, with the fertishing the latter of the Barbican from last leather dress to connect the Mickey will, with the fertishing the latter of the Barbican from last leather dress to connect the Mickey will, with the fertishing the latter of the Mickey will, with the fertishing the latter of the Mickey will, with the fertishing the latter of the Mickey will, with the fertishing the latter of the Mickey will will be the latter of the Mickey will will be the latter of the Mickey will will be the latter of the Mickey will be the latter of the Yet in there somewhere are simple device of having one cen- opens with its own homage to tic dark underworld of

terrifying moments, as soldiers them.

Lynne Parker's staging celebrates what Shaw called "a the betrayal of those who fought the war by those who

Greenwich. Paul Rudnick's

does from poetry to reality by best-play award there, and yet ing for a date") and then to

From Larry Kramer's "The Normal Heart" over 15 years to Terrence McNally's "Love, Terrence McNally's "Love, Valour, Compassion," there have already been some truly powerful dramas about AIDS

and that's not even counting the overblown "Angels in Amer-ica." But "Jeffrey" is a travesty of that tradition: a mindless, giggly shambles, all the more shocking because it comes from the screenwriter of the "Addams Family" movies.

True, there is one good idea this otherwise derelict, chaotic vaudeville: that of a showbiz-obsessed cleric ("I'm a Catholic priest — historically that comes between a chorus boy and florist") who believes that all sexual and social ills can be cured by reference to a Cameron Mackintosh musical.

Outside of that, not a lot. The plot such as it is con-

Brook production of 1970.

Here too we first encounter Hippolyta on a swing trapeze. But from there, Noble takes off in his own direction with a modern-dress troupe who might well be in rehearsal for a er has never been afraid to Warwickshire amateur Ayck- go out on a limb. bourn, and his lovers are a selfregarding, querulous quartet.

the cast intelligently holds the line between romantic melancholy and rustic farce.

Ales Jennings leads the doubling as Theseus and Oberon, playing both as genial tyrants, but all through the casting Noble is at pains to parallel the real with the fairy world, so that behavior is much the same on either side of the magical divide. The result is an intriguing

mirror-image of the play, in which a lively cast are given the chance to act out their fantasy cerns Jeffrey's decision to and their real selves on stage in abandon sex ("How dare an enchanted kingdom shot you?" shrieks his confessor, through with sudden bursts of when in Europe they're starv- chilly, acid-rain reality.

## Annie Lennox's Night at Grammys

By James Gavin

EW YORK — Annie Lennox before the release of her new album, "Medusa," in March, she agreed to pre-

sent an award at the Grammys. "Normally I shy away from that sort of thing," she says. "Then I thought, "What the heck. I'm about to have a record out. people need to see me. I'll use this.' So I

became an industry slut for the night.' To demonstrate her point, she wore a black leather dress and Mickey Mouse ears. Nobody watching seemed to have a clue what the get-up meant, but it

was perfectly clear to her.
"I think Mickey Mouse is very sinister," she explains. "My children love him, all children love him, but Mickey Mouse is big be-cause of dollars." The same is true of the Grammys, she says: "I wore the ears and the that the Grammys represent. So I used the

something about it. Now 40, the Scottishborn singer and songwrit-As half of the Eurythmics

occasion, but also said

the duo that ruled British Working on an initially technopop throughout the '80s — rather bare Anthony Ward set, she took on the guise of a carrothaired androgyne, a dyed-blond tart and a dozen other characters as a way of com-

menting on the masks people hide behind. "Sweet Dreams (Are Made of This)," the single that launched her and her partner, Annie Lennox: other people's songs. Times.

Dave Stewart, in 1983, made a chilling young daughters, Lola, 4, and Tali, 2, to statement about greed and opportunism occupy her, not to mention her husband of that come wrapped in pretty packages. that come wrapped in pretty packages.

EW YORK — Annie Lennox would rather not appear in public these days. But when she does, she makes an impression. Just "Medusa" conspicuously makes no testes at all the second statements and the second statements at all the second statements.

statement at all. It consists solely of remakes of other people's songs: "Take Me to the River"
(Al Green), "A Whiter Shade of Pale"
(Procol Harum), "Downtown Lights"

(Blue Nile) and so on. The idea came of necessity: With two

Fruchtmann, Lennox has not written a single song since "Diva."
"Medusa" has remained in the Billboard's top 20, despite many mixed re-

views. Steve Morse, writing in The Boston Globe, called it a "strange side track" that favors polite, stylized songs that wallow in mush.

But for other listeners, it exploits Lennox's greatest strenth: her reedy, lashing alto voice with its touches of white

"Medusa" inspired the singer Linda Ronstadt to call her "the best female rock singer from the '70s onward, hands down," adding, "There's emotion

> permeating every brilliantly executed twist and turn." And when will her fans

get to feel that emotion in person? They won't, at least not soon. No tour is planned, and her managers are turning down nearly every ofter. Even before "Med-

usa" came out, Lennox seemed to be bracing herself for the inevitable: that a lot of seriously an album of remakes.

She tried to sound philosophical about it: "If I know that I did my best, that the work is authentic to me, I just have to say, 'Well, they didn't like

She lets out a nervous laugh, then adds, "Fair enough, you

James Gavin, who is writing a biography of the jazz trumpeter and singer Chet Baker, wrote this for The New York

## A Battle for the New 'Huck Finn'

By Deirdre Carmody New York Times Service

FEW YORK — The battle between book publishers for the rights to the original draft of "The Adventures of Huckleberry Finn," which includes unpubhished material, has begun in Jim describes a terrifying exearnest now that the three parties claiming ownership have reached their own settlement.

first half of the handwritten contained story and a magazine manuscript, which had been piece," said Bill Buford, fiction presumed lost for more than 100 years, provides a gold mine for scholars.

Victor Doyno, a professor of English and American literature again is so rewarding, and it calls at the State University of New into mind why you want to both-York at Buffalo and president of er to publish contemporary ficthe Mark Twain Circle of Amer-tion. ica, likened it to "the British

'King Lear' or 'Hamlet.'

Publication of the first piece
of the manuscript is scheduled for the fiction issue of The New Yorker, which comes out June 19. It involves a conversation in a cave between Huckleberry Finn and Jim, the runaway slave. They discuss ghosts, and perience in a morgue in which he wrestles with a corpse.

'It is morbid, but it is bril-The discovery in 1990 of the liant, and it works as a selfeditor of The New Yorker, who declined to say what the magazine paid for rights to the piece. "To be in the hands of the master

David T. Eames, a lawyer finding a working manuscript of who represents Barbara Testa,

who found the manuscript, and her sister. Pamela Lindholm, said that he had had "extensive" by Testa. negotiations with book publish-

ers' about rights to the draft.
Patrick Martin, general counsel for the Buffalo & Erie County Public Library, another involved party, said his client was talking to publishers about possible publication rights.

The race among publishers comes on the heels of a squabble among the parties who have claims to the material.

It dates back to 1885, when James Fraser Gluck, a young attorney in Buffalo, New York. began to assemble a collection important authors of the English-speaking world.

He wrote to Samuel L. Clemens - who used the nom (One chapter in the manuscript de plume Mark Twain and who 15 years earlier had been editor Huckleberry Finn and ended up and part-time owner of The in "Life on the Mississippi") Buffalo Express — and asked him to donate material to the library in Buffalo.

Clemens replied by sending the second half of the original draft of "The Adventures of Huckleberry Finn," which had narrative will be prosecuted; perbeen published that year. He said sons attempting to find a moral in he thought the first half had been it will be banished; persons atdestroyed by the printer.

found the first half and sent it contain the part about a moral, along. Gluck apparently took it "I think in the very begin-

near her daughter and the trunk to find a moral.

The manuscript was taken to Sotheby's in 1991 for authentication. At this point, the Buffalo & Erie County Public Library claimed the manuscript as its own, while the Mark Twain Foundation in New York City laid claim to the intellectual

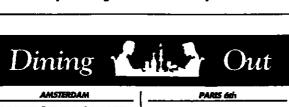
property rights.
A settlement was finally reached in which the sisters, the library and the foundation agreed in essence to split proceeds from the material.

A most important aspect of the newly discovered manof manuscripts and letters of manuscript is that it is filled with revisions in Clemens' handwriting and illustrates his process of work and his changes of mind. was eventually removed from

NOTHER change involves the "Notice" at the beginning of the novel: "Persons attempting to find a motive in this estroyed by the printer.

tempting to find a plot in it will be
Two years later Clemens shot." The early draft does not

from the library, but failed to ming he had not planned to have it be a novel of Jim's liber-He died the following year ation," said Doyno. "And only and the manuscript, which had after it became an important no library markings, was turned book about human liberation over to his widow by the ex- and developing individual inecutors of the estate. She even-tegrity did he put in the middle tually moved to California to be phrase about people intending



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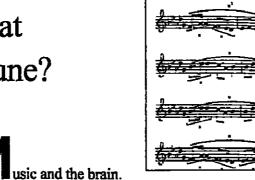
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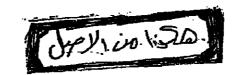


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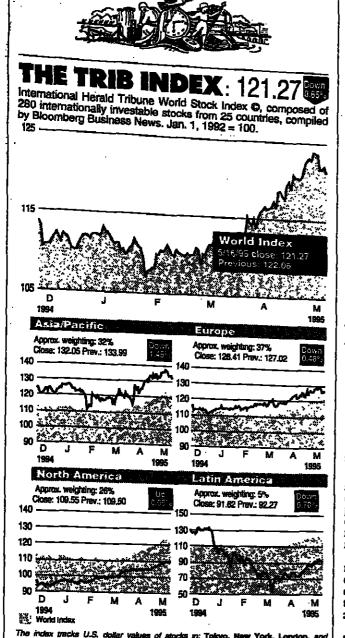
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## Microsoft and NBC Form Alliance for New Media

By Lawrence Malkin International Herald Tribune

NEW YORK - Microsoft Corp. formed a multimedia alliance Tuesday with National Broadcasting Co., joining the push among companies to link with complementary partners as they navigate uncharted sections of the information highway.

The companies said they would use NBC's programming skills and vast entertainment library to enhance an on-line service under development by Microsoft. The alliance will also be backed by the deep pockets and technical exper-

tise of NBC's parent, General Electric Co. The announcement came as Time-Warner Inc. was discussing the possibility of linking its local

cable-television systems, soon to be the country's ances was temporarily halted after regulators second-largest, with the long distance network of clamped down on cable TV prices. AT&T Corp., enabling it to leapfrog local phone

Software, or information content, was uppermost in the Microsoft-NBC deal, as it was when MCI Communications took a \$2 billion stake last week in the News Corp. media conglomerate controlled by Rupert Murdoch.

But as Congress examines loosening pricing regulations on cable TV and competition among communications companies, it has become evident that the giants of the computer, telecommunications, entertainment and publishing businesses have resumed exploring strategies for a new 21st century industry.

Last year, the rush toward multimedia alli-

Microsoft's on-line service is to be packaged with its new operating system software, called Windows 95. The software is to be released late this summer. The on-line service faces tough competition from such established concerns as CompuServe, America Online and Prodigy.

Robert Wright, NBC's president, said that by working together, the two companies "will be able to produce new media products that have enormous content and market advantages."

In addition to interactive communication, they plan to develop interactive sight-and-sound compact disks known as CD-ROMs. "For examsaid Bill Gates, chairman of Microsoft, "NBC could market broadcasts on Olympic

sports, politics and elections, and personal linance.

NBC said it would contribute its television audience reach, production expertise and adver-tising base, while Microsoft would bring its software skills and a different distribution system through its computer users.

Both sides made it clear that money would not be their primary consideration. NBC plans only a "modest investment" to develop CD-ROM technology, Mr. Wright said. Mr. Gates said that one of the things the whole world will be learning about" will be how to earn money from networks.

The long-term aim, both made clear, was to use the network as a low-cost mass medium, like

## **April Data Indicate** U.S. Weak Spots

Compiled by Our Staff From Dapatches inflation. The benchmark 30 WASHINGTON — The year Treasury bond rose 1 3/32 mebuilders and manufacturers, percent. government reports indicated

New-home starts rose a smaller-than-expected 0.4 percent in April, as a glut of unsold properties kept cautious builders from taking advantage of mild spring weather, the Commerce Department reported.

The Federal Reserve Board. meanwhile, said industrial production fell in April for the second consecutive month, as factory output of autos, home appliances and furniture slowed.

"I don't think it's going to be the last lousy month," said Da-vid Wyss, an economist at DRI/McGraw-Hill in Lexington, Massachusetts. "We're not selling anything. Inventories are building up at an unsustainable pace.'

The Commerce Department report indicated that homebuilding activity would remain weak in the months ahead: permits for new construction rose just 0.6 percent last month. Bond traders welcomed the

news as evidence the economy was slowing to a moderate pace with little threat of accelerating See ECONOMY, Page 14

slowdown in U.S. economic to 109 21/32, bringing its yield growth has trickled down to ho- down to 6.86 percent from 6.94

> "The economy is not falling," said economist Eugene Sherman of M. A. Shapiro & Co., a Wall Street investment adviser. "It's just more sluggish than an-Joseph Blalock of America's

Community Bankers agreed but added "If you're worried about inflation, this slowing is likely to be a good thing." The dollar posted small gains

against major currencies in late trading, while stocks were

April's modest increase in housing starts caught analysts by surprise. They had been expecting falling mortgage rates to lead to a larger gain.

Starts of single-family homes fell 0.1 percent, while starts of multi-family projects, such as apartment buildings, increased 2.4 percent from the previous

The number of vacant new homes, especially those built on speculation that buyers would be found, has increased in re-

## Costly Ride to Showroom in Japan Jeep Cherokee Exits Maze With Price 64% Higher the problem and the unlikelihood of a quick fix. For few of the added costs are

unfair in themselves.

decrease by much.

particularly onerous or demonstrably

Even if Tokyo agreed to meet the U.S.

demands, perhaps making it easier for

Detroit to sell vehicles in Japan, it is

unlikely that the huge increase in the

sticker price of imported U.S. cars would

Indeed, the current trade dispute fo-

cuses on opening the market for auto

The journey of vehicle

to Tokyo illustrates the

magnitude of the trade

problem and the

unlikelihood of

a quick fix.

No. SL542455 from Ohio

By Shervl WuDunn New York Times Service

TOKYO — Jeep Cherokee No. SL542455 rolled off the assembly line last Oct. 9 at Chrysler Corp.'s plant in Toledo, Ohio. It left the factory with a

price tag of an estimated \$19,100. But in a cramped showroom here in Japan, the retail price for such a car is now \$31,372 - about 64 percent higher

- at the current exchange rates. This Jeep is a brilliant blue Sport model, with six roaring cylinders, automatic transmission and right-hand-side power

A comparable model would have a sticker price of \$20,698 in the United States. But this particular car did not just

go from ship to showroom.

Instead, it took a much longer route—
first through a maze of tests, regulatory requirements and form-filling, and then through a web of relationships with distributors and dealers. It is part of a system that drives the

price of imported cars sharply higher and that U.S. trade negotiators say helps to make Japan a market sheltered to benefit domestic automakers.

After 20 months of bitter negotiations. Washington announced Tuesday that it would retaliate by imposing punitive tariffs on Japanese luxury cars within the next 30 days unless Tokyo relented. But the journey of Jeep Cherokee No.

SL542455 illustrates the magnitude of

bureaucratic procedure or that quality Still, underlying the confrontation be-

parts and putting U.S. cars into show-

rooms in Japan, not on eliminating this

tween Washington and Tokyo is the intense, almost overwhelming frustration that Detroit's Big Three automakers feel in trying to penetrate an unfamiliar Jap-

What is true for imported automobiles is also true for Japanese business practices overall, which tend to favor producers at the expense of consumers and make nearly all goods — but especially foreign products — substantially more

expensive than elsewhere. "The talks are all about the system itself, the fact that Japan is not as easy to sell into as the United States," said Perer Boardman, an auto analyst at UBS Securities Ltd. To Jerry K. Hsu, in charge of Japanese sales at Chrysler International Corp., the basic problem is that "it's an unlevel playing field."

In most countries, for example, Chrysler finds it fairly easy to market its cars through local distributors or its own subsidiaries. In Japan, by contrast, car dealers have such close ties with the domestic automakers that they either refuse to sell U.S. imports or put them in out-of-theway showrooms. When Japanese companies import

their own U.S.-made cars to Japan, they still need to comply with government regulations. But they can translate their familiarity with the system into cost savings because they know how to take European automakers have done bet-

ter in Japan than Americans, primarily because they ship luxury models to buyers who are relatively unconcerned about

Conversely, Japanese-made cars ex-See RIDE, Page 17

#### **MEDIA MARKETS**

## Need a Date? Listen to Your Jewelry

By John Markoff New York Tymes Service

NEW YORK -To some, the Internet is already old hat. But how about Bodynet, an enveloping computer web in which your wireless-data telephone might actually be a bat? Or scarves and neckties with enough sensors and computer intelligence to warn you that the accompanying blouse or shirt is a dubious fashion choice?

The Bodynet might also offer intelligent eyeglasses, which could sense what you were looking at and automatically adjust the focus.

Bodynet is just one of many blue-sky possibilities in Things That Think, a project that researchers at the Massachusetts Institute of Technology's Media Laboratory are unveiling in Cambridge, The presentation was being made Tuesday to more than 150 potential cor-

porate sponsors, many of them in fields — such as foods, jewelry and consumer products — not usually associated with high-tech innovation. This is new territory for MIT's Media Lab. In the 1980s, the lab pushed the

world toward a new idea: multimedia. Now that multimedia has become relatively commonplace, the Media Lab feels the need to once again get ahead of the digital curve.

"Our multimedia mission is over," said Nicholas Negroponte, who founded the lab in October 1985 and continues as its director. Most of its \$20 million annual

budget is now provided by media and consumer-electronics corporations.

Things That Think is dedicated to the idea of designing computer intelligence into everyday products. The premise is that, as computers get smaller, cheaper, more powerful and pervasive, society will move beyond the information era to one in which virtually anything can be made to act like a personal computer. Possibilities, researchers say, include shoes able to calculate the time it will

As more and more common objects are given computing capabilities. 'it will be like the world is full of magic.'

Michael Hawley, an MIT Media Laboratory professor.

take to walk to a given location, clothing that continuously relays a recovering patient's vital signs to a doctor's database or jewelry capable of sizing up the attributes of potential dates across the dance floor and even sending messages to the jewelry worn by the prospective partner.

Such everyday objects as doorknobs, chairs and toasters could contain computers embedded on a silicon chip, programmed to do any number of useful things by sensing the movements or feel-

ings of their owner or by learning the owner's habits.

"People define their world by the objects and tools that surround them," said Michael Hawley, a Media Laboratory professor. "As more and more common objects become imbued with computing capabilities, it will get really bizarre. It

will be like the world is full of magic."
The Things That Think project will focus on three categories: new sensing technology, new networking technology and a kind of artificial intelligence that makes objects responsive to human needs and emotions.

The original idea of the lab was to explore the ways that the traditional media - including newspapers - could or should change in response to the way computers were putting so much information into digital forms that could be stored and transmitted

But now that personal computers are multimedia play stations, and many magazine and newspaper companies have either gone on line or are preparing to, the Media Lab sees less need for its original kind of evangelism and more need to attract new kinds of corporate patrons. Marvin Minsky, a researcher on artifi-

cial intelligence researcher who is a professor at the Media Lab, is tinkering with one of the newer ideas: a sport coat that would adjust its thermal properties to different climates, obviating the need for a closet full of jackets for different seasons. Wouldn't it make more sense," he

said, "to have one \$1,000 coat than 10 \$100 conventional coats?"

## Japan Placed Big Bets in Asia Last Year

TOKYO - Japan's direct investment in Japan to compete in international markets duction sites outside Japan. surging yen prompted firms to shift more production overseas, the Finance Ministry said on Tuesday.

Asia overtook Europe to become the second-biggest recipient of Japan's foreign investment, behind North America, the ministry said in a report.

"Because of growth potential and low wages, Japanese companies preferred Asia to Europe," said Yutaka Miyazaki, direc-tor of the Europe division of the Japan External Trade Organization.

Japanese investment in Asian factories and other businesses climbed to a record \$9.7 billion in the year to March 31, 1995 - accounting for 24 percent of Japan's overall foreign investment.

The yen appreciated more than 15 percent against the dollar during the year, sized Japanese firms — mainly suppliers of electronics and car parts — were following

the rest of Asia soared 47 percent to a against lower-cost producers in China and The yen's appreciation also made it

cheaper for Japanese companies to build factories abroad, officials noted. Overall, Japan's foreign investment in

the most recent fiscal year climbed 14 percent, to \$41.1 billion. Investment in Europe fell 22 percent, to

\$6.2 billion. But investment in North America rose 16 percent, to \$17.8 billion, accounting for 43 percent of Japan's overall foreign investment.

Latin America attracted \$5.2 billion

worth of Japanese direct investment, a 53 percent increase over the 1993-94 year. Yoshihiro Araki, assistant director of the Japan External Trade Organization's Asia-Oceana division, said small and medium-

making it more difficult for factories in bigger companies in establishing Asian pro-

Japan is considering cutting interest

rates on yen loans extended to developing countries, the head of the Economic Planning Agency said Tuesday, Bloomberg Business News reported from Tokyo.

Masahiko Komura said Japan may cut the rates "because markets rates are declining, not because of the rise in yen's

value."

The yen's sharp appreciation this year has made it difficult for developing coun-

tries to pay back yen loans. An agency spokesman said that if rates

were not considered low, Japan would not be providing any benefit to developing

countries.
As of 1993, Japan had about 394 billion
As of developing yen in loans outstanding to developing countries, the spokesman said.

## **Quarterly Loss Mars Lufthansa Rebound**

FRANKFURT - Lufththis year, although the German carrier said it turned a profit in Frankfurt, to close at 189 DM.

1994 for the first time in four But Glen Liddy, an analyst 1994 for the first time in four

Lufthansa said it posted group net profit of 302 million Deutsche marks (\$211 million) in 1994, its first profitable year since 1990. Sales rose 6 percent, to 18.8 billion DM. But the results were marred

by the company's announcement that weak winter air travel caused a pretax loss of 53 milon DM for the first quarter of that it would resume paying year reduced its stake in Lufth-lower profit to rising salaries dividends for 1994, with a 4 ansa to 35.7 percent from 51 and the hiring of additional perThe loss, along with a warning DM payout per common share, percent by selling 7.6 million sonnel. lion DM for the first quarter of

ansa AG said Tuesday that a mark was placing a "considerbull in winter travel brought it a able burden" on revenue, sent pretax loss in the first quarter of this year, although the German company's shares fell 3.2 DM in

> with Kleinwort Benson Securities, said investors had overreacted to what was essentially good news from Lufthansa. "I think in principle we're quite pleased with the numbers so far," he said. "The profit figure of 302 million DM was better than the 250 million DM we expected."

The airline had said Monday

Like many airlines, Lufth-

has ended, business conditions year. have improved and cost-cutting measures have been put in place. The German airline had a group net loss of 92 million DM in 1993 after a group net loss of 391 million DM in 1992. Mr. Weber described 1994 as

"the most successful year in Lufthansa's history," and he predicted the carrier would post a "good operating result" in 1995. The German government last

from Jürgen Weber, Lufthansa's It had not paid dividends since new shares plus 1.1 million ex chief executive, that the strong 1990. new shares to investors. Al isting shares to investors. Although further stock sales are ansa lost money in recent years, planned, Mr. Weber ruled out but it has recovered as recession another capital increase this

(AP, Bloomberg)

#### ■ Thai Airways Profit

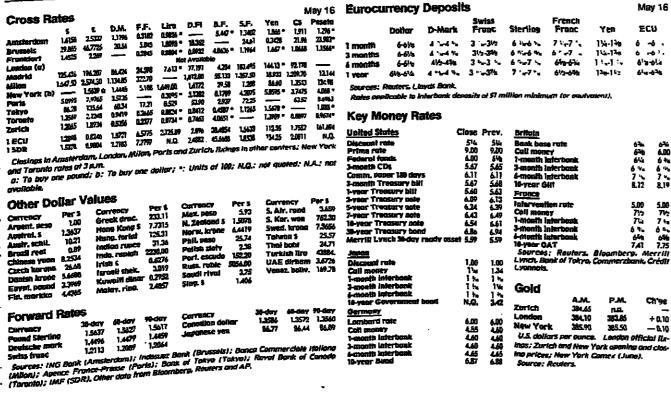
Thai Airways International Ltd. said Tuesday that its profit declined by 22 percent, to 2.37 billion baht (\$95.8 million), in the six-month period ended March 31, despite increased revenue, The Associated Press reported from Bangkok.

The company attributed the

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## **CURRENCY & INTEREST RATES**



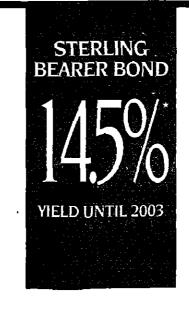
#### China Press Flags Problem Loans

Bloomberg Business News

BELIING — Less than a week after China announced the passing of a new commer-to cial bank law giving the institu-tions greater autonomy, a state-tion controlled newspaper has controlled newspaper has reported at least 20 percent of bank loans are bad.

The official Economic Information Daily said one-fifth of outstanding loans of the four so-called specialized banks of 350 billion yuan (\$42.3 billion) are "not good." Specialized banks primarily handle statefunded enterprises.

In some industrial regions, the figure of nonperforming loans rises to 40 percent, the



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#### **Very briefly:**

#### Gypsum Says Yes to Delcor

CHARLOTTE, North Carolina (Bloomberg) - National Gypsum Co. said Tuesday it had agreed to be acquired for \$1.2 billion by an investor group led by its former chairman.

National Gypsum's agreement to be bought for \$54 a share culminates a six-month takeover battle between BPB Industries PLC of Britain and Delcor Inc., controlled by the North Carolina multimillionaire C.D. Spangler Jr.

BPB gave up the fight Tuesday, saying it was not in its interest to try to outbid Delcor.

• Morrison Knudsen Corp. said it would delay the release of its first-quarter results because the contractor has kept its books open on the fourth quarter of last year: the company has had problems figuring losses at its MK Rail unit. It has forecast a loss for the fourth quarter and a decline in profit for the first quarter.

• The William Benton Foundation, a private trust that owns Encyclopaedia Britannica Inc., has retained Lazard Freres & Co. to find a buyer for the 227-year-old reference collection.

• Rockefeller Center Properties Inc., the real-estate investment trust that holds the mortgage on the New York landmark that is operating under bankruptcy-court protection, has said it has enough cash to stay affoat "in the near term" and it would be able to arrange longer-term financing. Mitsubishi Estate Co. let the property file bankruptcy protection because the payments it owes on the mortgage were less than its income from rent.

• Grow Group Inc. said its board would take a neutral stance on a \$19.50 per-share offer tendered by Sherwin-Williams Co.: Grow agreed earlier to be acquired by Imperial Chemical Industries PLC of Britain, for \$18.10 per share.

## Wal-Mart Bucks a Downward Trend

BENTONVILLE, Arkansas — Wal-Mart Stores Inc. said Tuesday that its earnings rose 11 percent in its first financial quarter of 1995, even as the U.S. economy slowed and many other retailers posted weak results.

America's largest retailer said its net income rose to \$553.4 million, or 24 cents a share, in the quarter ended April 30, up from \$498.5 million, or 22 cents a share, in the corresponding quarter a year ago.

Wal-Mart reported a 16 percent sales increase at its flagship discount-store chain and improved results at its Sam's Club membership-warehouse stores. The company's same-store sales, or sales in stores open at least a year, increased by 6.2 percent. Overall, its sales climbed 16 percent, to \$20.44 billion.

They're doing an excellent job in a very tough environment," said David Presson, an analyst at the brokerage Edward D. Jones & Co. "They continue to separate themselves from the rest of the pack."

The results were just shy of the average estimate of 25 cents a share from 28 analysts surveyed by Zacks Investment Research. Wal-Mart shares were lower in afternoon trading, having closed at \$25.625 on Monday in New York.

David Glass, president and chief executive of Wal-Mart, said the company's domestic operations "performed well despite low inflation and produced earnings growth in line with sales growth."

Wal-Mart operates stores in 49 states,

Puerto Rico and Canada, and has joint-

venture agreements in Hong Kong, Brazil and Mexico. Separately, J.C. Penney Co., another major U.S. retailer, said its net income tumbled 30 percent in its financial first

quarter as sales slowed and it was forced to slash prices. Penney said its net income fell to \$156 million, or 61 cents a share, in the quarter ended April 29, from \$223 million, or 84 cents, in the corresponding period a year ago. Sales for the Plano, Texas-based com-

pany barely increased, rising 0.4 percent, to \$4.37 billion.

in the fillings of the energy property of an oral expectation of the characteristic for the contraction of the

The average forecast was for 63 cents a share in a Zacks Investment Research survey of 23 analysts. Predictions for Penney's earnings fell steadily in the past month. however, and the four most recent estimates pointed to 61 cents a share.

(Bloomberg, Knight-Ridder)

■ Hewlett-Packard Posts Profit Rise Hewlett-Packard Co., the Californiabased computer maker, reported a 41 percent jump in second-quarter profit on Tuesday but only a modest rise in sales due to the introduction of new products and underestimated demand, the Associated Press reported from Palo Alto.

The company earned \$577 million, or \$1.10 a share, for the three-month period ended April 30, compared with \$408 million, or 78 cents a share, for the like period last year. The results reflected the company's 2-for-1 stock split in March and were in line with expectations.

## Phones Extinguish ... Wall Street Run

Compiled by Our Staff From Dispatches NEW YORK - Stocks closed mixed on Tuesday as confidence that inflation is subdued helped offset sharp de-clines in telephone and retailing

The Dow Jones industrial average fell 2.42 points, to 4,435.05.

But advancing stocks out-

U.S. Stocks paced declines by a 14-10-9 margin on the New York Stock

Phone shares tumbled after Pacific Telesis Group warned of stiffer competition and predicted a 10 percent drop in

profits this year. Pacific Telesis, whose stock fell 2%, to 27, blamed its profit outlook on lower rates and a decline in its share of the \$1.4 billion California local-toll-call market, which was opened to competition on Jan. 1.

Pacific Telesis's warning caused shares of other regional Bell companies to fall amid concern they also face increased competition as long-distance carriers and cable-television companies move into their

long-monopolized domains. GTE fell 11/2, to 32%, US West declined 11/s, to 40%, Bell Atlantic dropped 24, to 54%, SBC Communications declined

14, to 44%, BellSouth fell 4, to 62 and Nynex lost % to 48% Retailers fell on lower-thanexpected earnings. Wal-Mart declined %, to 25%, Home De-pot, the most active NYSE issue

dropped 24, to 414. Strength in oil and technology shares also helped to offset the declines in retailers and phone stocks. Exton gained 4, to 71%, and Chevron climbed

Technology shares got a boost from Hewiett-Packard's statement that supplies of com-puter parts could not keep up with demand, traders said. Intel rose 1/2, to 10874.

Microsoft jumped 3 9/16, to 84%, after the software company said it would team up with General Electric's NBC-TV network to develop media prod-ucts for CD-ROMs and cable television. GE fell %, to 57.

Shares in AG Associates, an integrated-circuit-equipment maker, rose 5%, to 16%, after the first day of trading, following an initial public offering of 1.8 million shares at \$11 each.

The stock market also was buoyed by reports on April housing starts and factory out-put, which provided more support for the notion that growth was slowing enough to keep in-flation and interest-rate increases at buy, traders said.

## Zurich Increases Planned Kemper Stake

Compiled by Our Staff From Dispatches

LONG GROVE, Illinois - Zurich Insurance Group said Tuesday it would take a higher-than-planned stake in Kemper Corp.'s life insurance unit under the terms of a definitive S2 billion agreement to acquire the insurer and asset manager.

Kemper and Zurich Insurance Group said they had signed the agreement that now would give shareholders \$49.50 a share in cash instead of \$47.50 in cash and S2 in preferred stock.

Zurich Insurance now is expected to ment of Zurich to Kemper's valuable operations. Insurance Partners, an investment concern comprising a Zurich insurance subsidiary, Robert Bass's Keystone Inc. and Chase Manhattan Corp. will own the remaining 20 percent.

"With the signing of a definitive agreement, a new era begins for Kemper Corp." said Rolf Hueppi, chairman and chief ex-ecutive of Zurich Insurance. "Adding the financial strength and long-term commit-financing.

own 80 percent of Kemper, which will brand name and reputation for creativity consist of its life insurance and real estate and service will enhance Kemper's position in the asset-management and life insurance industries."

Kemper put itself up for sale last year after spurning an offer of \$60 a share, or \$2.4 billion, from General Electric Co. Kemper subsequently agreed to be acquired by Conseco Inc. for \$67 a share, or \$3.25 billion, but the deal fell through in November after Conseco failed to obtain financing, (Bloomberg, AP)

## ECONOMY: Bonds and the Dollar Rise as Data Point to Slowdown in Construction and Manufacturing

niture production also slowed.

place in the auto sector, where

before the next model year ar-

#### Continued from Page 13

cent months, putting a damper

on construction activity. In February, the inventory of unsold homes was a 7.5-month supply, the largest since June. 1990, just before the last reces-

sion started. That figure fell to a

7.3-month supply in March. Paul Kasriel, an economist with Northern Trust Co. in Chicago, said that even with falling mortgage rates, "to expect a rate mortgage averaged 8.32 new boom in housing is farfetched."

The Fed has raised the overnight bank lending rate seven times since February 1994. That has made it more expen- 6.74 percent. Bloomberg, VIT sive for builders to borrow

housing market.

rates have declined this year as the economy has slowed, builders' short-term rates, which are years. pegged to banks' prime lending rates, have not fallen by much. So the number of speculative homes — built without buyers - likely will remain low, analysts said.

The rate on a 30-year fixedpercent in April, down from 8.46 percent in March and 8.77 percent in February.

The average mortgage rate hit bottom in October 1993, at

In its report issued Tuesday, rives," said Jerry Jasinowski,

short-term funds, hurting the the Fed said industrial output president of the National Assodeclined 0.4 percent last month ciation of Manufacturers. Although 30-year mortgage after falling 0.3 percent in "But what is just as impor-March: the first back-to-back

decreases in more than four across the board," he added. This traces back to the rise in More than half of April's deinterest rates, which slowed cline reflected a 4.4 percent consumer demand." He added

would not last long since it was Foreign Exchange "just an inventory correction." drop in production of autos and Plant-use rate, which mea-

parts. Home appliance and fursures the amount of industrial capacity being used, declined to 84.1 percent in April, the lowest "More than half the decline level in a year. in industrial production took A slowdown in consumer inventories are being sold off

tant is that production declined

that the decline in production

spending is contributing to a buildup of unsold merchandise, and that is cutting into demand

at the U.S. manufacturers, analysts said. (Bleomberg, AP)

■ Dollar Edges Higher The dollar strengthened Tuesday amid speculation that American plan to slap tariffs on \$5.9 billion worth of Japanese imports would help cut the U.S. trade deficit with Japan. Bloomberg Business News re-

ported from New York. "The sanctions are being perceived as positive for the dollar," said Earl Johnson, foreign exchange advisor at Bank of Montreal/Harris Bank in Chicago. "Either the U.S. puts the sanctions on and that shrinks the deficit, or Japan makes conces-

sions and that cuts the deficit."

The dollar rose to 86,600 year from 86.375 year on Monday. It rose to 1.4445 Demische marks from I.4351 DM.

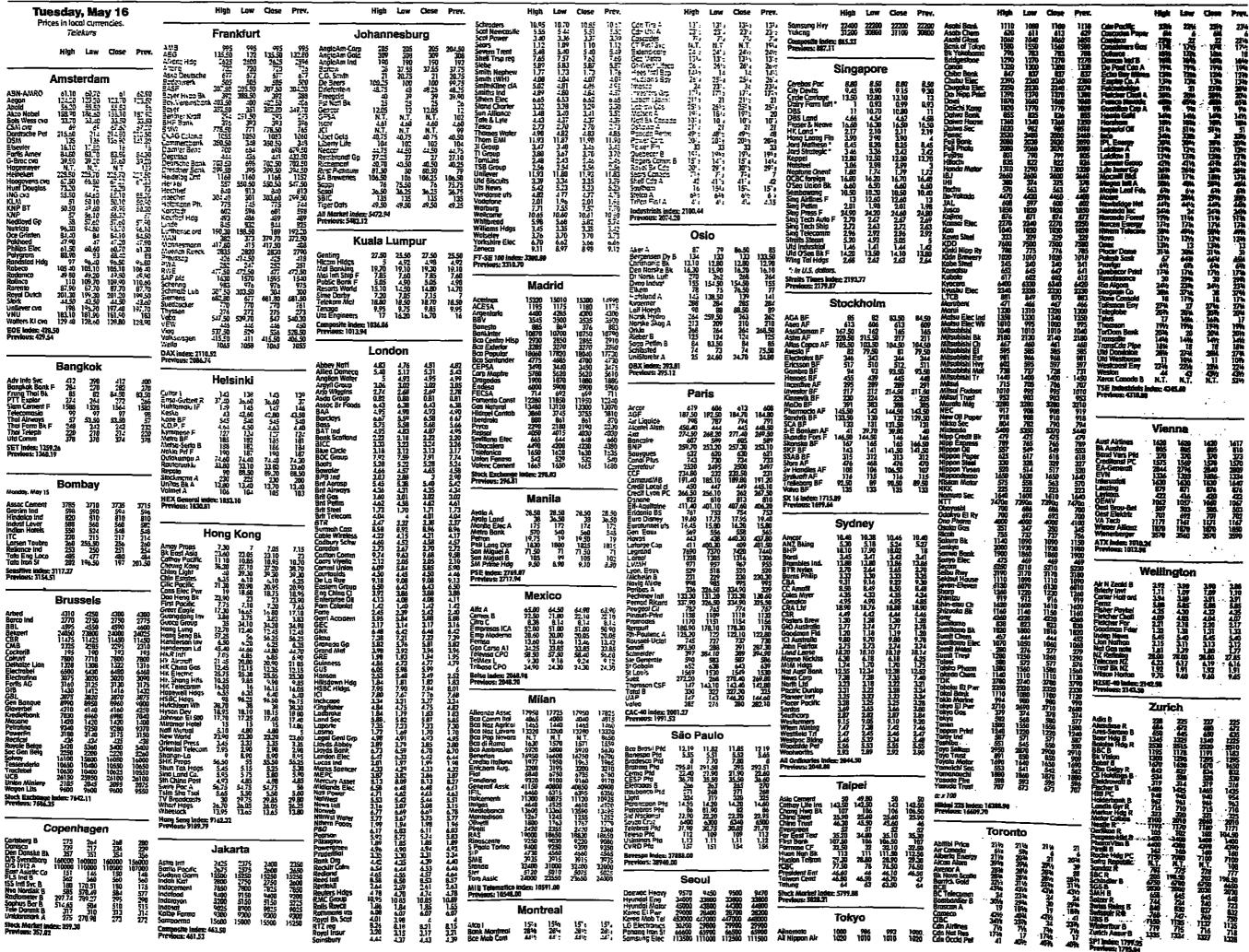
The dollar also drew appoint from comments by two Bundesbank officials, who joined the chorus hinting at a out in German interest rates, Lower Germen rates could help the dollar by making mark-descrimented deposits icas attractive.

Against other cameacies, the dollar rose to 5,1000 French francs from 5,6305, and to 1.2080 Swiss france from The dollar's gains well limit-

ed by economic reports released Toesday that indicated slowing

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#### WORLD STOCK MARKETS



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## Profitable Hanson Is Quiet on Plans For Expansion

LONDON - Hanson PLC said Tuesday a strong perfor-billion. The company plans to mance by its U.S. businesses helped first-half pretax profit dividend of 3 pence a share. rise 80 percent, but it had next to nothing to say about the its biggest earner, contributing main subject of analysts' and £267 million to profit on sales investors' speculation: its ac- of more than £1 billion. quisition plans.

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Hanson, whose main businesses include chemicals, coal mining, tobacco products, building materials and forest products, said it had profit before taxes and special items of £633 million (\$992.3 million) in the six months ended March 31, compared with £351 million a year earlier.

Hanson also said its plan to shed 34 U.S. businesses at the end of this month — which won shareholder approval Tuesday - would "enhance the scope for acquisitions as future op-portunities arise." It refused to elaborate on its plans.

"They never say anything about acquisitions in advance, said Zafar Khan of SGST Secu-

rities. "It's not their style." Hanson said operating profit

doubled, to £745 million, as sales rose 5.4 percent, to £5.9 pay an unchanged quarterly

The chemicals division was

The company's U.S. divisions had an operating profit of £388 million, more than double the year-earlier figure, spurred by what Hanson called an "outstanding contribution" from Quantum Chemical Corp. and resumption of full production at Peabody Coal Co. after a strike was ended last year.

Hanson's shares slipped 3 ence, to 252, in London trad-

Hanson said in February it was shedding 34 U.S. business-es with combined annual sales of more than \$3 billion.

But Mr. Khan at SGST said with the company getting rid of so many U.S. operations, investors were becoming concerned that Hanson's earnings "can't grow at any kind of speed" in the next few years. (Bloomberg, AFX)

## **Allied Domecq Shares Fall** As Brewing Profit Drops

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pectations.

LONDON -- Shares in Allied Domecq PLC fell 2 percent Tuesday, as earnings from its brewing division declined and analysts lowered their profit

The British food-and-beverages company said pretax profit rose 21 percent, to £716 million, while sales rose 11 percent, to £6.13 billion. Profit before onetime gains, however, rose just. 12 percent, to £701 million.

The company said operating profit at Carlsberg Tetley, its brewing joint venture with Carlsberg AS of Denmark, fell 21 percent, to £67 million, even as sales rose I percent.

Allied Domecq's stock fell 12 pence, to 543 pence.

the six months ending in August were unlikely to meet ex-

Allied has begun selling its food operations in order to concentrate on its international spirits and retailing operations. The company produces such liquor brands as Ballantine's Scotch, Beefeater gin, Kahlua and Canadian Club.

Matthew Nayler, an analyst with Williams de Broe PLC, attributed the drop in the share price to "the profits warning relating to the next 6 months in brewing and food."

UBS Securities Ltd., Goldman, Sachs & Co. and Williams de Broe indicated they were reducing their forecasts for the 18 months to August. Allied is The company warned that changing the end of its financial brewing and food profits over year to August, from March.

## 'Mazel Tov' and Memories

## **Vodka Sales Fund Polish Foundation**

By Brandon Mitchener

WARSAW - When Sigmund Nissenbaum thinks about the country where he grew up. histhoughts invariably turn to Jewish culture and the restorative properties of kosher vodka.

But as chairman of the Nissenbaum Foundation, Poland's first postwar private foundation, the energetic 68-year-old survivor of Auschwitz and Treblinka has made it his life's mission to restore hundreds of Jewish cemeteries, synagogues and other cultural sites to their original states.

That most of the foundation's income is generated by the sale of kosher vodka to Polish people who are Catholic is an irony not lost on Mr. Nissenbaum, who settled in southern Germany after World War II. But it has never been an obstacle.

"The most important thing is not to have a headache the next day," he said. "Poles drink vodka like the French drink wine. They know what's good."

Indeed, kosher vodka has been so successful in Poland that its production propelled the foundation into the list of the country's 500 biggest companies.

While about a third of the foundation's vodka, whose brand name is Nisskosher, is sold abroad, the majority is sold in Poland, where it has spawned numerous imitations. One store in Warsaw's tony Royal Way recently boasted 15 different kinds of vodka

Only one, however, said Mr. Nissenbaum, is real. "Except for Finlandia, ours is the only vodka in Europe approved by the Orthodox Union," he said, referring to a New York organization that judges the purity of kosher foods. "Sure, it's copied, but that's good for us because the people know what's real."

Some Poles swear Nisskosher vodkas are the country's best. Dariusz Fabrykiewicz, a bartender at the Hotel Britsol, said Niss-

kosher was as good or better than Dohra and Zubrowka, two of Poland's oldest brands. "It's normal vodka, but the production is very clean," he said, offering a taste.

Mr. Nissenbaum said that every container used in the distillery was made to order, that grains used were specially selected, that distillation was constantly supervised according to Orthodox traditions and that no one was allowed to work on Saturday, the Jewish sanbath. "A rabbi's blessing isn't enough." he said.

The company sells dozens of different kinds of vodka, varying in strength and flavor. The best-selling varieties, labeled luxury vodka, are 40 percent alcohol.

According to Polish government figures, the foundation made a 1994 profit of 45 billion zlotys (\$1.8 million) on sales of 1.06 trillion zlotys. The state-owned Polmos spirits conglomerate, which still dominates the Polish market, posted a profit of 104 billion zlotys on sales of 2.6 trillion zlotys.

But as successful as the foundation's vodkas have become, the Nissenbaums still regard them as a means to an end. "There was no other way to finance the maintenance of the cultural sites," said Mr. Nissenbaum's wife. Sonja. Though he harked from the brick business himself. Mr. Nissenbaum was inspired by the memory that relatives made distilled spirits in Poland before World War II.

#### ■ McDonald's Goes Kosher in Israel

Hold the cheese on that Big Mac. McDonald's is opening its first kosher restaurant, in Israel, Reuters reported from Jerusalem.

McDonald's Corp.'s subsidiary in Israel said Tuesday that its new restaurant in Rehovot, south of Tel Aviv, would be its first to adhere to Jewish dietary laws banning the mixing of dairy and meat products. Scheduled for a July opening, the restaurant will be closed on the Jewish sabbath and on holidays.

Burger King Corp., McDonald's main rival, already has a kosher branch in Jerusalem.

## Waigel **Supports** Franc Fort

PARIS - Finance Minister Theo Waigel of Germany said Tuesday he backed France's long-standing franc fort policy.

In an interview with the French business daily La Tribune Desfosses, Mr. Waigel was asked whether he thought the strong-franc policy, which aims to shadow German interest rates, had hurt the French economy. "For more than a decade,

France has been leading a monetary policy that pursues stabil-ity. Thanks to it, it broke free from the vicious circle of devaluations and inflation," Mr. Waigel said

"French monetary policy to-day enjoys a great degree of credibility on the international scene, which has been reinforced with the independence of the Bank of France in early 1994," he said.

The Bank of France, which used to be under the control of the finance minister, was made independent last year.

During negotiations leading to the 1991 Treaty on European Union, Germany insisted that would-be participants in monetary union should set their central banks free from potential government pressures.

The treaty sets two possible deadlines for a monetary union: January 1997, or Janu-Mr. Waigel said the 1999

date "seems a realistic base." Regarding the dollar, Mr. Waigel said its fall had been

#### Frankfurt London CAC 40 2159 2666 2100 3226 1925 2053 3140 1850 3056 MM M 2000 11: 1959 2990 ] 1994 Exchange Index Tuesday % Change Close Close Amsterdam EDE **428.50** 429.54 -0.24 Brussels Stock Exchange 7,642.11 7,686,35 0.58 Frankfurt DAX 2,110.52 2,086.74 Copenhagen Stock Market 359.30 +0.64 357.02 Helsinki **HEX General** +1.22 1,853,10 1,830.81 0.33 Oslo 393.81 395.12 London FTSE 100 3.300.80 3.310.70 -0.30 Madrid Stock Exchange 298.03 296.81 +0.41 Milan MIBTEL 10,591.00 1054B. +0.41 Paris 2.001.27 1,991.53 +0.49 Stockholm SX 16 1,715.89 1,699.66 +0.95 Vienna ATX 1.010.24 1,012.98 -0.27 Zurich 1,799.25 1,795.04 +0.23 Source Telekurs

Investor's Europe

#### Very briefly:

 West European new-passenger-car registrations fell 2.6 percent in April from the comparable month a year earlier, the European Automobile Manufacturers Association said.

• Investor AB said first-quarter pretax profit jumped to 888 million Swedish kronor (\$121.4 million) from 222 million kronor in the comparable period a year earlier, mainly because of strong sales by the truck maker, Scania AB, which said its pretax profit rose to 1.40 billion kronor from 540 million kroner. Investor also holds a stake in the aircraft maker Saab AB, which saw pretax profit fall to 2 million kronor from 76 million kronor because of a write-off of development costs.

Telefónica de España SA, which is 32 percent owned by the Spanish government, said profit rose 15 percent, to 20.02 billion pesetas (\$161.4 million), on revenue of 405.07 billion pesetas. • Westdeutsche Landesbank Girozentrale said 1994 profit fell 11 percent, to 428 million Deutsche marks (\$301.4 million), because of a 95 percent drop in trading income, to 19 million DM.

• Sedgwick Group PLC said its first-quarter pretax profit fell 2.1 percent, to £42.7 million (\$66.6 million), because of the weak dollar and contracting London insurance market.

• Arjo Wiggins Appleton PLC said it had bought the Italian paper merchant Sottrici Distribuzione SpA, from Safinvest SpA for £56 million. Arjo Wiggins added that it has also acquired a 71 percent stake in the Hungarian paper merchant Szolamil, for an undis-

• National Power PLC, Britain's largest electricity generator, said pretax profit, including one-time items, in the year ended March 31 rose 4 percent, to £705 million, in the year-earlier period, lifted by rising sales, a work-force reduction and a drop in fuel costs.

• BTR PLC said it expected 1995 sales and profit to increase.

 BOC Group PLC said pretax six-month profit rose to £194.8 million, buoyed by its core gas business, compared with £79.7 million a year earlier when the British gas-and-health-care conglomerate was hit by £85 million in restructuring costs.

• Twelve East European and Asian stock exchanges signed a charter in Istanbul to set up a Federation of Euro-Asian Stock Reuters, Bloomberg, AFX, AFP

#### Dini of Italy said Tuesday that the energy concern Ente Nazionale Idrocarburi SpA

Compiled by Our Staff From Dispatches MILAN - Prime Minister Lamberto would be the next major state-owned com-pany to be privatized. The move was wel-nies, range from \$20 billion to \$36 billion. comed by analysts who predicted strong A sale of 15 percent of the company would demand for stock..

Mr. Dini told the Italian newspaper La Repubblica that 10 to 15 percent of the British Petroleum sell-off in 1987. company, known as ENI, would be placed on the market this autumn. He added that get their hands on the gas and oil producer. initial share offerings of the state telecom- which last week reported record net profit munications company Società Finanziaria of 3.25 trillion lire (\$2 billion) for 1994. Telefonica SpA, known as STET, and the "In industry terms, there's probably not electricity concern Ente Nazionale per l'En- going to be a better period for quite some

ergia Elettrica SpA, referred to as ENEL, would be moved back to early 1996 from this year, switching places with ENI. Estimates for the value of ENI, one of

**ENI Moves to Top of Privatization List** 

represent the largest energy privatization in Europe since the last tranche of the

Analysts said investors would be eager to

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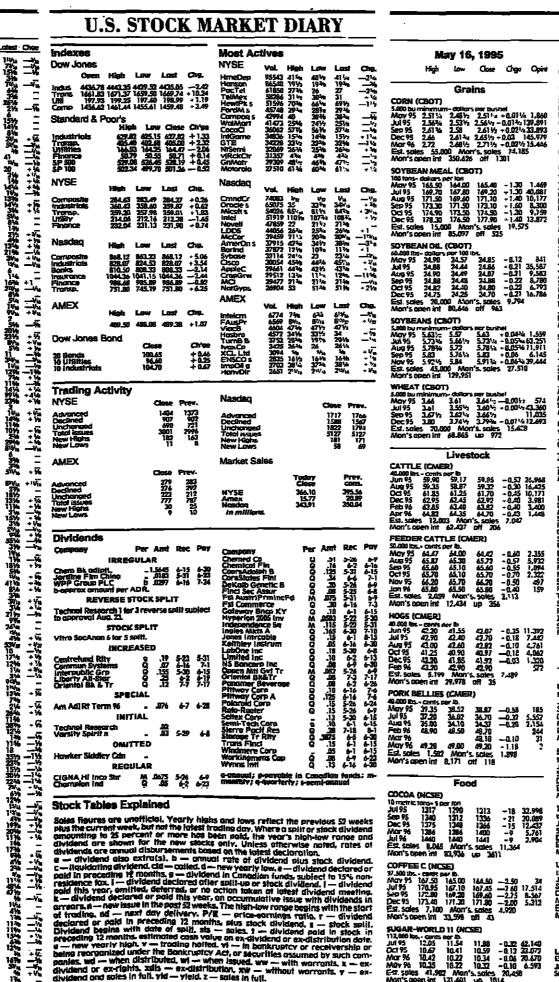
time to sell something like ENI," said Alan Marshall, an energy analyst with Swiss Bank Corp. in London. Mr. Dini also declared that Italy's econ-

omy was on the mend, thanks to government efforts to get deficits under control and to break a logiam over its pension system. He pointed to recent gains by the Italian lira as evidence. The Deutsche mark fell to 1.134.85 lire on

Tuesday from 1,140.85 on Monday. Since March 17, the currency has recovered by about 12 percent against the German cur-

(Reuters, AFP) Exchanges.

#### INTERNATIONAL FUTURES



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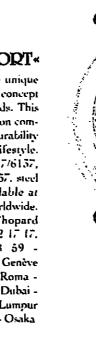
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shing, the billionaire chairman

of Cheung Kong (Holdings) Ltd., has moved his shares in locally listed companies into a trust fund in his own name, a move that some analysts said Tuesday raised questions about his confidence in Hong Kong's future.

Mr. Li, in a move he said reflected only estate planning, put his 34.95 percent stake in Cheung Kong, the territory's largest property developer, and his other holdings - including 44.96 percent of the property, retailing and shipping concern Hutchison Whampoa Ltd. - into a trust called Li Ka-shing Unity Holdings, according to documents filed Monday with the Stock Exchange of Hong Kong.

The filing listed the value of the holdings as 110 billion Hong Kong dollars (\$14.22 billion). Mr. Li. 67, and the elder of his two sons, Victor Li Tzarkuoi, also an executive of Cheung Kong, are the sole trustees of the new holding company. Mr. Li said the company was registered overseas but said he would not move Cheung Kong's headquarters out of Hong Kong.

"This has people wondering," said Franklin Lam, a property said company spokesmen were analyst at Salomon Brothers not available for comment. Hong Kong Ltd. "There can be a Cheung Kong's shares fell bundle of motives. This may be a 1.50 dollars, or 3.9 percent, to Hong Kong Ltd. "There can be a way to shift your risks away from Hong Kong," Still, he said he doubted that Mr. Li's confidence in the future of Hong on an ex-dividend basis Tues-Kong had been shaken.

HONG KONG - Hong

Kong Telecommunications

Ltd. said Tuesday it had

reached agreement with Chi-

na on building an optical-

fiber link between Beijing and Hong Kong and that

construction would start

Chief Executive Linus

'You can't look at this

Cheung refused to disclose

terms of the accord until a

kind of secretive agreement

and say China has opened its

telecommunications mar-

ket," said David Barden, ana-

final contract was signed.

Hong Kong-China Link

lyst at Baring Securities. "We the colony and China.

backed by the Chinese government, as calling the arrangement nothing special, saying many other executives of large Hong Kong companies had taken similar steps.

"I'm probably the last of them to make such arrangements," he said, according to the article. "There is only one reason for my doing so." he added. "I don't have to pay inheritance taxes, and that has nothing to do with politics."

Some analysts speculated that Mr. Li might seek a position in Hong Kong's govern-ment after Benjing takes it over in 1997 and was trying to avoid

possible conflicts of interest. But others said Mr. Li, who is known for his close ties to the Chinese government, may have been trying to insulate his fortune against possible political and economic risks associated with the takeover.

Mr. Li emphasized that he retained the controlling interest in the trust fund. "I'm not young any longer, but I believe I will not have to retire yet," he said. "However, I will gradually hand down the responsibility to younger people."

Officials at Cheung Kong

37.20 on the Hong Kong Stock Exchange, at least partly be-(Bloomberg, AFP)

don't know whether they

won't give details because the

agreement is not as good as

they expected or because the

terms they got are too good."

nopoly on fixed-line service

in the colony runs out in July,

also said its net profit rose 15

percent in the year ended March 31, to 8.7 billion Hong

Kong dollars (\$1.13 billion),

as booming sales of mobile

phones made up for a shimp

in calls to and from China.

The company, whose mo-

it was a rude reminder to a work force accustomed to full employment and rising wages that changing technology takes its toll even in the newly industrialized economies of East Asia.

The closure of the U.S. company's typewriter plant, which opened in 1974, will throw 550 employees out of work unless a buyer can be found to retain at least some of them.

The company said it was trimming its work force and consolidating operations in North America to cut costs after a period of losses as personal computers snatch market share from typewriters. Singapore officials are con-

cerned that the number of layoffs here will rise as industry, with government encouragement, moves up the technology ladder by jettisoning labor and becoming more automated. Yu-Foo Ye Shoon, assis-

tant secretary-general of the National Trades Union Congress, estimates that about 500,000 workers, nearly onethird of the labor force, need retraining.

As business costs in Singapore increase, foreign and lo-cal companies that depend on cheap labor with low skills are moving to Indonesia, Malaysia and other countries in the region where wage and land costs are much lower.

Analysts say similar trends also are apparent in the other three "tiger" economies: Taiwan, Hong Kong and South

ous two years.

A spokesman for the Ministry of Trade and Industry. saying the slowdown was "inevitable" and not a cause for concern, affirmed the ministry's growth forecast of 7.5 per-cent to 8.5 percent for all of 1995.

Singapore's economy grew 10.1 percent in both 1993 and 1994, though the annual pace last year slowed from 11.9 percent in the first quarter to 8.3 percent by the fourth

Economists said business sentiment remained positive, but they voiced concern about falling productivity growth and rising business costs, which could harm Singapore's competi-

Inflation, as measured by consumer prices, stood at 2.5 percent in the January-March quarter and was forecast to decline to 2 percent for all of 1995 from 3.1 percent last year.

To cut costs, manufacturers litical debates on the issue of in Taiwan and Hong Kong imported labor. and in South Korea to a lesser degree --- have invested heavily in China and other parts of the region in recent years. The companies that remain behind

have to raise productivity by mechanizing and starting to cut jobs. Economists said these were symptoms of an economic maturity that in Western industrial nations had led to

chronic unemployment and low growth. In Hong Kong, where the unemployment rate rose to 2.8 percent in the first quarter of 1995 from 2.2 percent a year earlier, employers are turning to cheaper labor, mainly from

China. "This level of unemploy-ment is not alarming," said Guonan Ma, a senior economist at Peregrine Brokerage Ltd. in Hong Kong. "But it could generate social and po-

In Singapore in 1994 - despite economic growth of more than 10 percent after adjustment for inflation of 3.6 percent - nearly 9,500 workers were displaced, significantly more than in 1993. Most were victims of company restructurings or relocations.

What worries officials of the government and the trades union congress, who work closely together, is that the rapidly aging labor force may end up with too many un-trainable older workers and too few new recruits with the required skills.

Lee Boon Yang, the labor minister, said that as Singapore attracted more capitalintensive investment and advanced technology, it needed an increasing pool of workers with advanced skills.

mismatch - retrenched un-

industries unable to find new jobs while new high-tech employers are looking for more workers with skills," he said. Singapore has about 300,000 workers with less than

secondary-school qualifications, most of whom are over 40 years old.

The problem is being accentuated as the official retirement age for workers is raised. Two years ago, the government increased the retirement ceiling to 60 from 55, and it said it would raise it to 67 within the next decade. The aim is to reduce the

dependence of senior citizens on state welfare and the country's reliance on its more than 300,000 foreign workers. The government is urging

employers to increase training programs and workers to be come more receptive to the need to constantly upgrade

"Technology is changing so fast that if we don't get our workers up to the mark, they may be out of jobs because they cannot work the new machines that come in," Lee Kuan Yew. Singapore's senior minister, said in a recent interview with the trades union congress newspaper. "There's big trouble if our workers are caught unprepared and training is not upgraded."

Singapore has set a target for companies to spend 4 percent of their payrolls on training, and it provides financial incentives for them to do so.

In 1994, the average proportion spent was 3.1 percent, up from 2.1 percent in 1993. But the bulk of the spending was by large or medium-sized companies. Those with fewer "We may end up with a than 100 employees spent

#### **Hong Kong** Singapore Tokyo Nikkei 225 2450 2000) 190001 23% 2000 2266 L مالات الله 6000 V J 2168 V 1663 15000 15000 p. J. F Exchange Tuesday Index Prev. Close Close Change Hong Kong Hang Seng 9,162.32 9,189.79 -0.30 Singapore Straits Times 2,193.77 2,179.87 +0.64 Sydney All Ordinaries 2,044.50 2,048.80 Tokyo Nikke: 225 16,388,90 16,609.70 -1.33 Kuala Lumpur Composite 1,013.94 +2.18 1.036.06 Bangkok SET 1,360.19 -0.07 1.359.26 Secul -0.20 Composite Index 885.33 887.11 Talpei 5,828.21 Manila 2.769.07 +1.88 Jakarta Composite Index 463.50 451.73 +0.38 Wellington NZSE-40 2.142.58 2,143.50 -0.04 Bombay 3,149,77 Sensitive Index 3,115.73 +1.09

#### Very briefly:

Investor's Asia

 Singapore Airlines Ltd. shares fell after an Indian newspaper, the Economic Times, said Indian officials had rejected a proposed joint venture between the carrier and Tata Industries Ltd. to set up a domestic Indian airline. The stock fell 35 cents to 7.75 Singapore

 Bandai Co., the maker of Mighty Morphin Power Rangers toys, said its group current profit quadrupled in the year ended March 31, to 22.71 billion yen (\$259.7 million), on surging sales of the toys in the United States.

• Seven Network Ltd.'s largest shareholder, the Australian media entrepreneur Kerry Stokes, raised his stake in the broadcaster to 18.9 percent from 17.48 percent.

 Kankaku Securities Co. and Cosmo Securities Co. plan to reach into their capital for funds to reduce debt after four years of losses; Kankaku will reduce its capital by 68 percent, or 45 billion yen, and Cosmo plans a cut of 34 percent, or 22.37 billion yen. Hong Kong established a "home page" on the Internet providing

data on living, working and doing business in the British colony; the information available electronically at the Internet address http://www.hongkong.org includes the text of the treaty on the return of Hong Kong to Chinese rule in July 1997. • Aiwa Co.'s consolidated pretax profit rose 34 percent from a year

earlier, to 13.2 billion yen, in the 12 months ended March 31.

• Samsung Electronics Co., LG Semicon Co. and Hyundai Electronics Co. will raise prices by 5 percent to 10 percent to offset losses caused by the strengthening of the South Korean won against the dollar. Bloomberg, Reuters, AFP

## NEC Takes Aim at Sharp's Lead in LCDs has two production lines supplying the last year, to grow 23 percent this year, to

AKITA, Japan - NEC Corp. said Tuesday it would invest 13 billion yen (\$148.7 million) to expand its production of thin-film transistor liquid-crystal display panels and try to grab the market lead for the product from Sharp Corp.

The company said it would build a second production line at its newly opened plant in Akita, doubling the plant's capacity, to 100,000 units, a month and raising the company's overall output from 150,000 to 200,000 units a month, by the middle of "NEC's aim is no less than to become

the world's No. 1 maker of TFT-LCD Mr. Cheung said the link panels," the company's president, Hisashi would significantly increase Kaneko, said at the opening of the Akita capacity for calls between

panels, which are used in the advanced 430 billion yen, and by the same percentcolor screens found in the latest generation of portable computers.

Sharp, currently the leading maker of TFT-LCD panels, also is about to start production at a new plant that is planned to be the world's largest. NEC said its new investment of 13 billion Acer Makes a Move in Japan

yen would raise its total spending on the panels to 20 billion yen for the year ending in March 1996. Over the past five years, the Japanese electronics concern has invested about \$1 billion in TFT-LCD technology.

Production at the new Akita plant, which has 700 employees, is focused on 10.4-inch (26-centimeter) panels for use in notebook computers.

The first, in Kagoshima in southern Japan, for the panels, which expanded 45 percent 3.3 million units bought there in 1994.

age next year.

At the same time, NEC projects its own shipments will jump from 75 billion yen to 100 billion yen this year and 130 billion (AFP, AFX) yen next year.

Acer Inc., Taiwan's leading personal computer maker, unveiled 19 computer models aimed at helping it gain ground in the Japanese market, Bloomberg Business News reported from Tokyo.

Acer, which has been operating in Japan for eight years, began by providing parts to Japanese computer makers. It began selling its own computers there last year, but accounted for only 10 (

## U.S.\$500,000,000 Junior FRNs

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May 17, 1995, London

### RIDE: Jeep Cherokee Runs Maze From Ohio to Showroom in Tokyo and Comes Out 64 Percent More Expensive Continued from Page 13 to rob Detroit's Big Three of Chrysler must insert heat-sensitive warning lights in the United States roll much of their price advantage tive warning lights in the dash-in the United States—on both at least \$1,569. That would tors have been kept low, be-

their dealers.

So, even though the strong yen should help bring down prices in Japan while making Japanese goods more costly in the United States, the sticker price of the Jeep Cherokee is about 52 percent higher in Japan than in America, while the price of Toyota Motor Corp.'s U.S.-made Avalon goes up only 28 percent in Japan.

Even more telling, the price of Toyota's Japanese-made Land Cruiser wagon is 17 percent lower when it is sold in the United States today. The company says that higher trucking and marketing costs, as well as options included on all cars sold here, increase the costs in

To be sure, Detroit is selling more cars in Japan these days. Jeep sales alone are expected to surge by more than 50 percent this year, to 20,000, from 13,000 in 1994.

Chrysler has made some headway in overcoming the obstacles in its path, and with the dollar still weak, it is making a lot of money on every car sold. It might do even better if it goes through with plans to spend tens of millions of dollars on its own distribution system.

Even so, the sticker-price inflation that afflicted the ride of Jeep Cherokee No. SL542455 to the showroom floor in Japan is likely to slow the efforts of Chrysler to carve a meaningful presence in Japan.

The Japanese distribution system, in short, will continue

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off the ships into the fast lane to by the time the Japanese conmer gets a chance to kick U.S. Tracing the maze is not much

easier than navigating it. Chrysler and other companies provid-ed several cost figures but refused to disclose the exact prices at which they purchased or sold the vehicles. So only rough estimates can be used to track the steady buildup of costs from the U.S. wholesale price of an estimated \$19,100.

In switching the price to yen, Chrysler must use a reasonable conversion rate, say 92 yen to \$1, that will hold throughout the duration of the sale process. Thus, when the dollar weakens to 86 yen, the level at which it was trading Monday, Chrysler receives a foreign exchange gain of \$1,333 on each car sold.

Chrysler has tried to pass some of the gain along to consumers. In response to the weaker dollar, it recently low-ered sticker prices by 10 per-cent, from the earlier 2,998,000

Jeep Cherokee No. SL542455 went by rail from the factory to a port in Baltimore. There, it was protectively waxed and various adjustments were made to adapt it to Japanese regulations, a process known as homologation. For example, gations - which are far more that it is 5 percent to 8 percent

muffler is overheating.

ic Ocean to the Japanese port of Chiba, arriving Nov. 28.

In Chiba, Chrysler turned over the ownership of the car to its importer, Chrysler Japan In the Seles I to the control of the car to its importer, Chrysler Japan In the control of the car to its importer, Chrysler Japan In the control of the car to its importer, Chrysler Japan In the car to its important car to car to

stake with J. Osawa & Co. SL542455 and 621 other Jeeps where employees of Chrysler

distributors, Scibu Motor Sales. Adding shipping and customs-clearance costs and the Chrysler exchange-rate bonus, the car

specially built complex. The total cost of the homolo-

board to alert a driver that a sides of the Pacific was \$1,100, increasing the price tag to

The Jeep was then shipped at \$22,415. a cost of \$200 through the Pan-

Sales Ltd., a joint venture in umentation can just about fit which Chrysler has a minor on a page. In response to previ-

Japan inspected the vehicles for dents and scratches. The Jeeps cleared customs or, Chrysler Japan, had only be-Dec. 2, at a cost of \$682 each, a gun to rack up. It had to pay for relatively small fee. From there, they were trucked 80 kilometers (50 miles) to an inspection center run by one of Chrysler's two

carried a price tag of an estimated \$21,315. At that point, the importer took the car through a second homologation, including a fiveminute brake test and a 20-minute test on exhaust levels in a

Chrysler, however, still needama Canal and across the Pacifed to show compliance with Ja-ic Ocean to the Japanese port of pan's 238 regulations, a cumbersome effort that culminates in a 560-page book of docu-

In the United States, the documentation can just about fit ous complaints, Japan has Dock workers drove No. speeded up the process. The cars breezed through a governfrom the ship to a parking lot, ment inspection in hours in-where employees of Chrysler stead of the previous norm of

seven days. But the costs for the importtrucking; make substantial rent payments for cramped quarters in an old building owned by its parent company; offer occa-sional rebates to distributors; spend millions of dollars each year on advertising and pay the salaries for 60 employees.

While Japanese companies face similar expenses, they can spread those mostly fixed costs over a much larger number of vehicles than Chrysler, with its tiny share of the market.

Chrysler Japan will not reveal its profit margin on the Cherokee, but analysts estimate

On Feb. 8 Jeep Cherokee No. SL542455 went through a beauty makeover at a Seibu inspection center, where employees checked for missing parts such as floor mats, cigarette lighters and spare keys, removed the wax coating and made another search for scratches.

They polished the car again, to satisfy picky Japanese con-sumers, and added options valued at \$200, as well as the obligatory Japanese-made accessories like special side steps. Seibu also took a margin of 5 percent to 6 percent, or \$1,725. Those two factors in-

creased the cost of the car to In the United States, the mar-

0171-865 0800

bring the price tag so far to cause Japanese carmakers there \$23.984. have a much freer hand to set up their own subsidiaries to import and distribute. In Japan. high property costs and a long-time practice of limiting foreign ownership meant that Chrysler had to rely on Japanese distributors.

On April 3 Seibu received an order for a Jeep Cherokee from Osawa Motor Sales Co., one of 406 dealerships in Japan that carry the Jeep.

At the tiny Osawa Motors showroom in an out-of-the-way neighborhood in Tokyo, one Jeep and three Alpha Romeos crowded the floor. Masayoshi Iwamoto, who manages the dealership, said he paid \$24,000 a month in rent, which is low by Tokyo's standards.

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# TELECOMMUNICATIONS SEED FIXED 
# RIDING THE INFORMATION HIGHWAY IS ESSENTIAL TO SUCCESS IN 21ST CENTURY

Economic development depends on reaching the 50 percent of the world that has never made a phone cult

he international telephone network has often been described as the world's largest machine. There are close to 1 billion telephones in use worldwide, almost every one of which can be used to dial any one of the others. And the call, whether across the street or across the globe, will be put through within seconds.

In addition to ordinary fixed telephones, many other telecommunication tools are playing an increasingly important role in our lives, ranging from fax machines and mobile phones to hole-in-the-wall automatic teller machines or computer-to-computer links via the Intercet. Our work and social lives would be radically different if it were not for telecommunications.

Yet 50 percent of the world has never made a phone call. For the most part, that 50 percent lies south of the Mediterranean

The North-South divide affects all sorts of things, of course, besides telecommunications. And there are priorities ahead of good telecommunications, such as a sufficient supply of good food and water, shelter and clothing. But all too often the value of telecommunications in developing economies is underestimated.

Just as railroads were seen as the key to economic development in the 19th century and roads and highways for the best part of the 20th century, telecommunications is increasingly being recognized as the key to successful economic development in the information society of the 21st century.

#### Vital in emergencies

The telephone is not just a socially useful tool. It is key to health care – medical help is only effective if a doctor can be reached quickly; it is fundamental to all sorts of commercial activities, ranging from finding a plumber to repairing a broken tap to trading stocks and shares; and it is vital in emergencies. One of the first things U.S. forces did when they began their relief operation in Somalia, for example, was to set up a mobile phone system because the local telephone infrastructure was inadequate

The big question is how to finance the nesessary-development. According to the World Bank, some \$55 billion (about 10 percent of the world's annual spending on telecommunications) will be needed every year over the next six years to build up basic networks in the developing countries and the former Eastern bloc. Opinions vary markedly about how that money is to be found.

The high-income countries, which account for 15 percent

of the global population, have 71 percent of the world's telephone lines, according to studies carried out by the International Telecommunications Union, the United Nations body charged with regulating the world's telecommunications. In those countries, the necessary infrastructure has been largely self-financing.

#### Revenue generated

The revenues generated by the use of telecommunications in the developed countries more than adequately pays for the equipment used. The 24 countries belonging to the Organization for Economic Cooperation and Development generate 85 percent of the world's telecommunication service revenues. In fact, this income provides an impressive additional source of income for the states involved – in the form of a shareholder's dividend, a levy or through taxes.

In the developing world, the countries in most desperate need of telecommunications infrastructures simply cannot afford to pay for the initial push toward integration into the global market. Without that integration, they are unlikely to earn the money to pay for the infrastructure – a classic Catch 22 situation.

In addition, given the colonial histories of many developing countries, their governments are often reluctant to liberalize the telecommunications sector, fearing a new form of exploitation from the North. That has the effect of making these countries undesirable as a place for foreigners to make the necessary investments – another Catch 22.

#### Making an impact

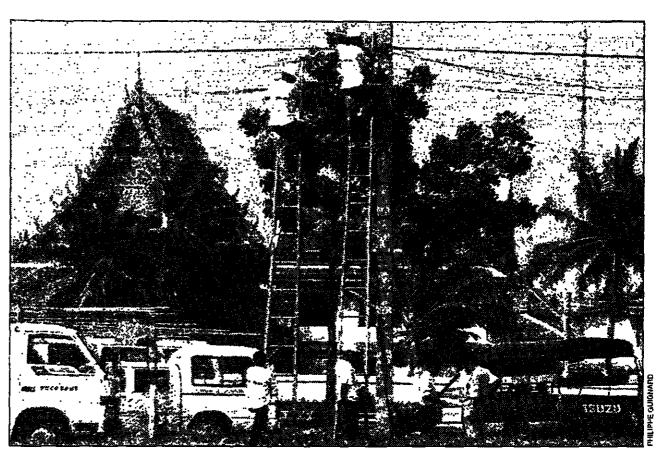
Those are the problems, but what are the solutions?

One option may be to divert some of the aid and invest-

One option may be to divert some of the aid and investment finance already going south away from roads and dams and into telecoms. This is already being done to some degree, but the volumes involved are nowhere near enough to make any real impact. Telecommunications infrastructure does not come cheap.

Another option may be to offer as aid some of the still very usable analogue equipment currently being decommis sioned in the richer countries to make room for digital technology. This option sounds patronizing – but what else is development aid?

A third option may be to risk the exploitation that liberal ization might bring in the hope of achieving the benefits of a better telecoms infrastructure. The most desirable option would be some form of self-help.



Some S55 billion will be needed every year over the next six years to build up basic networks in developing countries.

A number of studies on the development of infrastructure around the world have shown that the single most important factor appears to be the ability of the local telecoms authority to reinvest its profits into the network. The North has often done the best job of building a network and keeping it abreast of technological advances, but this does not always happen in the Southern Hemisphere. The profits often go into a general treasury and get spent elsewhere, and the countries have to look continually to outside funds that are often not available.

This may be changing, however. Over the last few years, there have been some grounds for optimism.

#### Inward investment

In Central and South America in particular there has been a considerable shift of development emphasis toward telecommunications in recent years. And governments there have not avoided foreign assistance.

Five years ago, Chile and Mexico had some six telephone lines to cater to every hundred head of population. Privatization and liberalization programs in both countries have brought considerable inward investment, and both countries have more or less managed to double telephone line penetration.

Technology is helping, too. Cellular mobile telephone networks are relatively cheap and quick to build. Many developing countries have now licensed joint ventures between local and foreign organizations to build and operate such networks.

The hope is that, once revenues start to flow from such ventures, the profits will be plowed back into improving the telecommunications infrastructure and that telecommunications will become available to more than the privileged few. The resulting benefits for the economy could then become a major factor in narrowing the North-South divide.

Peter Parton

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A World of Networks

#### TELECOMMUNICATIONS AND DEVELOPMEN

## PRIVATIZATION CAN BRING MANY-SIDED BENEFITS

The sale of nationalized telecoms offers more than just cash for asset-sturved governments.

he number of countries AG, which will be the tions can assume. A telecom erations. While waiting for described the country's teleprivatizing all or portions of largest transaction of its kind privatization can be configured. It cited privatizing all or portions of their telecommunications in the country's history. authorities is set to reach a new peak this year.

SPONSORED SECTION

During the first four years tial or complete sale to investors of publicly owned telecoms represented the cornerstone of many nation-

al privatization programs.
This trend is still gathering
steam. Set for sale in 1995 are stakes or financial interests in the telecoms in Thailand. Pakistan, the Czech and Slovak Republics. Turkey, Nigeria. Portugal. Italy, Pakistan and probably Indonesia and Belgium. Each of these deals is denominated in billions of dollars, but the real blockbuster has been tabled for 1996; the public offering of Ger-

The willingness of these governments to part with their telecoms seems paraof the 1990s, in countries doxical. The telecoms are, that included the Nether- after all, the most productive lands and Hungary, the par- and reliable of all stateowned cash cows, along with national lotteries and tobacco monopolies.

A need for cash partially accounts for this willingness. No matter how rocky the country's economic and political situation is, or how listlessly its privatization program is unfolding, the telecoms are sure-fire sellers, and thus often the main sulable assets of cashstarved governments.

Diversity of forms The main reason for the government enthusiasm, however, is often the useful divermany's Deutsche Telekom sity of forms these transac-

ured to allow the national government to retain a controlling "golden share," as in Hungary. It can even be carried out without any final relinquishing of public-sector ownership of the telecom, as in Nigeria's planned "con-tract leasing" arrangement. Privatization can be done

on a one-step-at-a-time basis, with the individual size and price of the equity tranches being set to meet prevailing market and political circumstances. Germany (the first tranche of Deutsche Telekom's stock offering will yield 15 billion Deutsche marks, the equivalent of \$10.95 billion), Italy, Pakistan and Belgium are prominent examples.

Privatization can even be structured to occur without causing any immediate change in the telecom's op-

through various negotiations, Belgacom is set to receive a large infusion of pri-vate capital via the issuing of bonds. Latvia's telecom has entered into a joint venture whose scope and scale far exceed the country's previ-

ous telecom operations. Equally gratifying to national governments are the ancillary benefits issuing from successful privatizations. These often include the boosting of share ownership by the "common people," and access to advanced technologies and the expertise required to operate

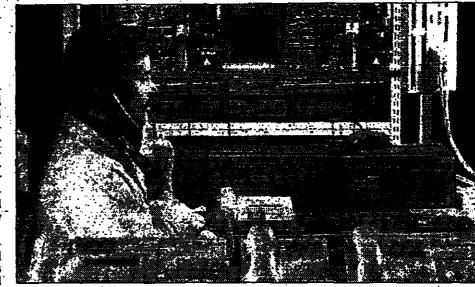
Rates of growth The benefit to investors is

often clear. "An apparently failure-proof investment" is how Germany's business daily, Handelsblatt, recently

the strong rates of annual growth of the world's telecom markets. The newspaper also lauded the unequaled "transparency" inherent in the telecoms sector - because telecom transactions are relayed via central technical units, they are easy

to monitor. The fact that the monopolies enjoyed by the national telecoms in their core areas of operation - standard speech and fax services - are often coming to an end exposes some of the privatized telecoms to fierce competition. Originally scheduled for 1998 for EU member countries, the dismantling of these monopolies has been moved up in nearly all European countries.

Competition is also growing from mobile telephony. and satellite-based and com-



The public offering of Deutsche Telekom will be the largest transaction of its kind in Germany's history.

toral communication mar-

kets, including the U.S.

(through a stake in MCI), in

Germany (through its Viag InterKom joint venture) and

puter-based systems, all of which have generally been open to private-sector suppliers from their inception.

The track records of previously privatized telecoms show an unexpected adeptness in entering new national and sectoral markets. British Telecom, which in

1984 became the first of Eu-

rope's major telecoms to be in Europe's transnational fiprivatized, is forecasting a 21 percent rate of profitabilinancial services sector (through its stake in Spain's ty for the 1994-95 financial Banco Santander). year. It is active in many of the world's national and sec-

BT also operates Great Britain's Cellnet mobile telephone network, which registered a 40 percent rate of subscriber growth in

Terry Swartzberg

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# Tracking Telecoms via the



THE WORLD'S DAILY NEWSPAPER

## CHINA PREPARES TECHNOLOGY LEAP

The big opportunities are in the equipment market.

Over the last 15 years, communications systems have helped pull China out of isolationism and into the modern world, and industry experts now hail China as the world's most significant telecom market.

Now China telecoms czars have set themselves even more ambitious targets, adding new lines at the rate of 12 million a year as part of a government drive to double the present ca-

The thirst for better communications means the Ministry of Posts and Telecommunications and its new rival. China Unicom, have turned few foreign companies away. They are looking for increased investment from companies like Motorola, which currently leads China sales of mobile communications equipment, and Finnish Nokia, its chief rival, as well as AT&T. Siemens, Canada's Northern Telecom, Japanese giant NEC and France's Alcatel. Total foreign investment is expected to reach \$1.5 billion in 1995 alone, with \$7.7 billion predicted for the next five years, 15-18 per-

cent of total investment in the sector.

"China's telecoms and information industry are still very backward," says Minister of Posts and Telecommunications Wu Jichuan. "But they are in the heyday of development. The market potential is tremendous.

As far as foreign companies are concerned, the best mar-ket potential requires that foreign entrance be allowed into the general telecoms market. At present, foreign investment is allowed only in the telecommunications equipment mar-ket, and this policy is not likely to change in the near future.

Instead, reform is coming from a newly kindled competition between traditional monopoly-holder MPT and China Unicom, a joint venture between railways, electronics, power and other enterprises with access to telecoms networks. Between the two, and with the belp of foreign technology, China plans to create one of the most technologically advanced

digital communications systems in the world.

The installation of 100 million digital switching systems by the year 2000 and the expenditure of over \$40 billion in the telecom sector are just the beginning of the bonanza. Liu Cai, head of MPT's Policy and Regulations Department. predicts that 30 percent to 40 percent of all urban residents and 6 percent to 8 percent of all households nationwide will have telephone service by the turn of the century, with a total

of approximately 114 million lines. AT&T alone will spend more than \$150 million over the next two years, doubling its present China work force of 1,000 and helping China build an "information superhighway." This high-speed digital system transmitting voice, image, data and video and linking Hong Kong and Guangdong Province will bring China closer to the advanced communications countries of the Western world.

Nick Driver

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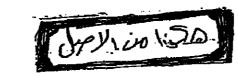
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# INTERNET BOOM SENDS MESSAGE TO ENTERPRISES: GET CONNECTED

In a few years, there may be more people talking to each other on Internet than on the telephone.

As a tool for development, the internet almost defies description. Since its inception some 14 years ago, the Internet has exploded from a small community of academics and government agencies who shared their information resources to a mass system open to anyone who provides, uses, promotes or funds information systems and infrastructure.

"Explosion" is an understatement. In the first years of its existence, the Internet had about 2,000 hosts, or discrete systems, as participants. In the last eight years, this number increased to 1 million. And in five years from now, the Internet Society estimates, the number of hosts will reach 100 million.

Traffic on one Internet service alone, the World Wide Web, grew at the rate of 341,000 percent in 1993. If this growth pattern persists, reports Anthony Rutkowski, executive director of the Internet Society, "some have calculated that in three years Web traffic will exceed the total world voice communication traffic." In other words, there will be more people talking to each other on the Internet than on the telephone

net than on the telephone.
"We are watching it grow before our eyes," Mr. Rutkowski says.

Commercial nature

Although most early Internet activity and innovation occurred in the United States, 98 percent of network growth in 1994 took place else-

where. Traffic is currently being routed to networks in more than 90 countries, and the overwhelming majority of these are commercial in nature.

Europe and the Asia-Pacific region have shown the greatest amount of activity, especially in countries with large GNPs.

Peripheral networks, such as France's Minitel, Apple's AppleLink, and e-mail linkages from AT&T, MCI and others have extended the Internet's reach to 168 countries, roughly 30 million people and almost five million individual computers. The implications of such extensive global communications include using the Internet for development in less industrialized countries, even in those in which computer and telephone penetration are scarce.

Indicators for mass "Internetworkability" include the number of PCs per 1,000 population, the percentage of homes with PCs and the percentage of homes with modems. In all three indicators, the United States leads Europe and Japan, though in the percentage of homes with modems, Japan comes close to the United States. The rest of the world trails far behind.

Technological base

David Moschella, senior vice president of International Data Corp., an industry research group, says, "The value of Internet for developing countries is not in the home, but in business: It makes it easier for businesses to send and receive information: Among such countries, Mexico and Brazil, with their consolidated telecommunications industries, have no trouble in connecting. All they need is a standard phone link. Eastern Europe is another developing area where the Internet should have early success. The technological base there is strong, and links existed from Russian universities to the West even during the Cold War."

China has its own Internet link, Cernet accessible in 700 cities via local dial ealls. Plans are under way to link the country's more than 1,000 universities by the end of the decade. According to Cernet's chief, Wu lianping, technical means have been implemented to eliminate user access to pornography or what are considered politically disruptive ideas.

This underscores the political problems that stand in the way of Internet access in some developing areas. Because computers and peripherals are an essential component of Internet growth, national practices that heavily tax and restrict computer imports have a negative effect on Internet diffusion. Highly regulated, often expensive telephone systems also impede growth, which partly explains why the Internet has not grown as quickly in Europe as it has in the United States. Loss of information control is an aspect of internet growth most feared by unstable governments.

These issues will be examined in June at the Internet Society's 1995 International Networking Conference and in October at the International Telecommunication Union's Telecom '95 show/conference. October 8 has been designated Development Day.

Claudia Flisi

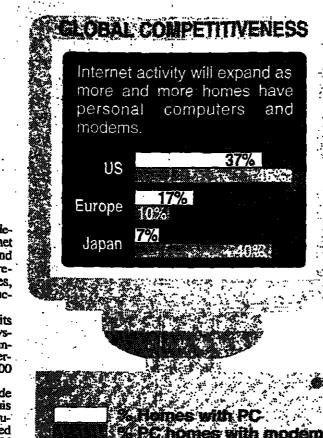


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## EXECUTIVE TOY OR DEVELOPMENT TOOL?

Some 40 percent of new lines being installed in developing countries are using cellular technology.

In the industrialized world, the sight of someone talking animatedly on a cordless phone on the street or in a car has become commonplace. It is hard to remember that the concept of cellular radio phone systems was first conceived only 25 years ago and that cellular networks have existed commercially only since 1981.

Since that date, the number of cellular subscribers worldwide has grown from zero to 40 million. According to Per Bengtsson, a spokesman for Ericsson, a leading supplier of mobile telephones, there will be 160 million to 200 million subscribers in over 120 countries within the next five years. By that time, mobile networks are likely to have more subscribers than today's fixed public networks.

Currently, the leaders in cellular phone use are the Scandinavians, with penetration in Sweden, Finland and Norway exceeding the 10 percent mark, seen as the threshold to the mass market. Below that level, experts believe, tariffs and terminal prices will remain high, and cellular phones will continue as executive perks rather than essentials for consumers and small businesses.

Significantly, some 40 percent of new lines being installed in developing countries are using cellular technology. For example, in the last year alone the People's Republic of China agreed to buy Ericsson equipment worth \$375 million to develop its telecommunications infrastructure in Liaoning and Szechwan Provinces.

Next door. Hong Kong has one of the most sophisticated telephone systems anywhere. It is 80 percent digital, boasts a high percentage of hand-held portables and – not incidentally – is privately run (by Britain's Cable & Wireless).

an equally tantalizing prospect. Until recently, many of them had been waiting up to a decade to have a telephone installed, with antiquated equipment and poor service. AT&T estimated the market potential at \$300 billion back in 1991, and many installations are leapfrogging directly into mobile tech-

The 400 million people in Eastern Europe represent

nology and cellular-based systems.

A boost to mobile growth in Europe was provided by the development of GSM (Global System for Mobile), a common European mobile telephone standard created by the European Telecommunications Standards Institute. GSM uses digital rather than analogue radio technology.

Operators in over 80 countries have accepted GSM standards, and by 1994 GSM networks were operational in 18 countries, with over 2.5 million customers.

Miguel Pellon, regional director of government relations for Motorola in Europe, describes a legal standard like GSM as "a Swiss Army knife – it does everything, but people still like to use their own scissors, tweezers and other tools."

Computing capability

Another important trend is "convergence," the blurring of distinctions between phones with computing capability and computers with telecom features. An example of the former is Simon, a project of IBM/Bell South, which accesses information and sends faxes. The latter is exemplified by Newton, Apple's Personal Digital Assistant, a mobile computer with a wireless modern. Ericsson's Mr. Bengtsson notes that his company's success is based on marrying "the societal background and communications expertise of the telecommunications industry with the efficiency and processing capabilities of the computer world."

Ericsson and its competitors, such as Motorola and AT&T, have adopted the strategy of forging alliances with computer hardware and software companies to meet customer needs. The result is a proliferation of wireless services for both the business and home markets, but prices have still not dropped to levels that make them readily accessible to mass market consumers or developing nations. The World Bank and other global financial institutions consider telecomnetworks such as these vital for economic development. Commercially, telecommunications is not just a business; it is also a catalyst for stimulating business.

C.F.



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. Ex[4914 Sprint Committee alreas Company [-P.

## PARTNERSHIPS: A WAY TO SHARE THE RISK

The size of the telecommunications industry has forced an increase in alliances.

Forming international partnerships can be both set up shop and wait for Chirisky and rewarding, as Al-

catel discovered in China. "Signing the initial joint venture agreement required an act of faith," admits Bert De Graeve, former general manager of Shanghai Bell Telephone Equipment Man-ufacturing Company. Twelve years later, however, burgeoning China's telecommunications business has transformed the \$80.5 million gamble that was China's first telecom manufacturing company into Alcatel's largest switch-

ing plant in the world. With annual sales now running at \$600 million. Shanghai Bell is currently spearheading Alcatel's drive to win a \$1 billion share of China's telecom business by 2001. "We knew there was the potential for exponential growth, but no one could have predicted it would be so explosive, says Mr. De Graeve, who headed the company between 1991 and

High-tech showcase Meanwhile. Hong Kong is becoming a high-tech show-

na to come to them. Driven by the twin motors of local deregulation and global names on the waiting list. competition, investment is and it is growing by 20 peralso flowing out. First Pacif- cent per year. ic of Hong Kong, for example, is a prime mover in a consortium that proposes to build a \$130 million telecommunications backbone in the Philippines, Oth-er members include Japan's NTT and the Singapore Telecom International joint

venture Globe Telecom The Phillipines switching network is significantly smaller than those of its Southeast Asian neighbors. so deregulation is a relatively simple way of generating additional revenues through immediate expansion. The problem is infinitely more complex in India, where the government's latest fiveyear plan has targeted an installed base of 20 million lines and triggered the most complex ever series of bids by potential telecom part-

With 900 million inhabitants and only 8 million telephone lines. India's current market potential rivals that case as increasing numbers of China. Only a quarter of former state monoplies for and Telecom Finland; Atlas

the nation's 600,000 villages have a public telephone, and its city dwellers are little better off - there are 3 million

Rival operators - including British Telecom, Singapore Telecom, AT&T, NTT. France Telecom and Australia's Telstra - were initially required to find local industrial partners before they could bid for the business. But by dividing the subcontinent into 20 regions (or "circles") for open tender. the Indian Department of Telecommunications has spread the rewards as well as

New markets

The telecoms business already generates more profits than any other European industrial sector, and there is rarely a shortage of potential investors for large-scale tele-com projects. With deregulation due by January 1988. Europe's cash-rich operators are looking for new ways to win world market share.

Eastern Europe, where both Hungary and the Czech Republic have put up their gian Telcom. Tele Danmark

sale, is a particular focus of interest. Ameritech and Deutsche Telekom topped the first round of bidding with a \$1.05 billion offer for 27 percent of the Czech Republic's SPT Telecom: in 1993 the same alliance picked up 30 percent of the Hungarian Matay for \$875

In February, the South African government declared its intention to sell part of the state-owned Telkom utility to help fund the network's modernization. Within weeks, Bell Atlantic, Alcatel CIT, Philips, Matra Marconi Space and Teleglobe International had announced plans for their African Global alliance. The Anglo-American New Africa Consortium soon followed, with Southwestern

Africa, one of South Africa's largest black-controlled businesses, proposing a four-year plan. Elsewhere, business alliances are the order of the day - with Concert bringing together British Telecommunications, MCI, Norwe-

Bell and Cable & Wireless

partnered by Corporate

Shanghai Bell: the gamble that is paying off for Alcatel.

aiming to link Deutsche Telekom, France Telecom and Sprint: Unisource involving Swedish, Dutch, Swiss and Spanish operators with AT&T: and the World-Partners initiative linking AT&T with Singapore Telecom, Telstra, Telecom New Zealand, KDD and NTT from Japan.

But the contest between these heavyweight contenders still has a long way to go. Sometime after 1998, today's alliances will need to confront the risk, reward and reality of tomorrow's global telephone company. Steven Bartlett

tions systems. Human resources

munications.

ment Bureau.

Currently, the ITU has projects in several developing countries, from restructuring one country's existing system to computerizing another's audio spectrum. The absence of qualified, skilled personnel to staff technologically sophisticated systems is often a bigger roadblock to a telecommunications policy in developing countries than poverty. The ITU helps these countries develop their human resources, management, organization and training.

facilitate the transfer of technology and in-

formation. Every developing nation in the

In Campenas, Brazil, for example, the

ITU's expertise on software, equipment

choice and purchasing resulted in a huge

new telecommunication center. Also, the

ITU sent Brazilians to study in other, similar

development centers. The project, which be-

gan in 1974, did not end until 1987. The

technology in Campenas included every-

thing concerning telecommunications -

laser fiber optics, the architecture of a tele-

phone exchange building, integrated cir-

cuits, software and all of the satellite com-

was applied there," according to Domenico Stagliano, the ITU's chief of development

policy in its Telecommunications Develop-

The ITU facilitates the transfer of technol-

ogy by funding studies and by helping to

buy and transport the actual equipment - the

hardware and software that provide the in-

frastructure of a nation's telecommunica-

"Whatever is within the term 'technology'

world is an ITU member.

Much of the policy of technology transfer in developing nations has resulted from the World Telecom Conference held in March 1994 in Buenos Aires, where a coherent plan of action was worked out to replace ad hoc decisions. The conference hammered out the logistics of how the whole international community could work together to bridge the gap between nations in the telecommunications sector.

The resulting Buenos Aires Action Plan gave the ITU its guidelines on the global information infrastructure. "In order to bridge the gap," Mr. Stagliano says, "there must be a policy decision. Then you have such programs as rural development, maritime com-

Two dilemmas: the proprietary use of software and restrictions on information. Dince 1947, when the United Nations was munication, human resource development and network planning; All kinds of priorities born, the International Telecommunications were expressed by developing countries at Union has been the UN agency responsible that conference. for working with developing nations to help

Potential markets

TECHNOLOGY TRANSFER AIMS

TO BRIDGE DEVELOPMENT GAP

Private-sector manufacturers of hardware and software are vitally interested in the transfer of telecommunications technology because the developing nations are their potential markets.

Developing countries do not have a preexisting infrastructure," Mr. Stagliano points out. This can be an advantage as it allows these countries to leapfrog from simple to modern technology without undergoing the painful and expensive restructuring that has plagued Europe and North America.

Any telephone switch is the same technology as those in Switzerland or Sweden." Mr. Stagliano says. Manufacturers do not normally place restrictions on the use of their hardware, but they do have reservations about the proprietary use of their software, and this is not a minor issue: Telephone exchanges are 80 percent software and 20 percent silicon.

Developing nations may lack the resources to manufacture telephone equipment, but they can easily duplicate the software and resell it: "Manufacturers are not worried about selling telephone switches,"
Mr. Stagliano says, "but the software that
comes with the switch."

Virtual university The transfer of information in cybersoace presents a policy dilemma to countries that do not have the same openness as Western democracies. The ITU does not address questions of the global information industry, but developing governments are seeing re-strictions falling away as access becomes

The new republics carved out of the old Soviet Union have seen the most activity recently in such technology importation. There, the problem is not encouraging the technology but reining it in. Mr. Stagliano explains: "The market forces are so strong. preceding any regulatory order. Our intervention there is to convince them, firstly, toset the rules for the market, and secondly, to open the market. Until now, that region has been like the Gold Rush in the Wild West, a chaotic marketplace."

Mr. Stagliano concludes: "The rules should precede development in any country."

## Doing Good Can Also Be Good Business

people live without access to potential beneficiaries. the most basic telephone sernatural constituency.

ness of promoting privately funded telecommunications be \$30 billion annually. projects on behalf of the world's poorest subscribers. By applying two basic crite-cates setting up partnerships ria - a penetration level of with governments, banks, over current constraints to telephonic services of less operators and other key than I percent or a telephone players wherever necessary. waiting list of longer than Joint ventures, they argue, five-years - it has identified make possible the additional

Banks and other investvice. They are WorldTel's ment institutions place 3 percent or less of their port-WorldTel, a specialized folios in development pro-UN agency, is in the busi- jects. As a result, the investment shortfall is estimated to

To spread the risk of project finance. WorldTel advo-

An estimated 4 billion 88 countries and regions as option of build-operate-potential and readiness for trol of lucrative services for transfer or build-own-operate concessions.

"It is a win-win situation," said ITU secretary-general Pekka Johannes Tarjanne. announcing WorldTel's Interim Board in New York last February, "We are launching a radically new approach for telecoms development that leaptrogs

> trigger economic growth." Investors will be examining the degree of political risk, immediate economic

ible currency and revised tariff structures. WorldTel line between these some-

able prize for the international equipment-makers. Major international operators are buying into a market where demand exceds supply: they stand to gain con-

clients represent a consider-

reform. Clients will be de- sale to subscribers at home bating the relevance of inter- as well as strategic stretches national revenues, convert- of the information superhighway. And according to a study by the McKinsey will be able to tread the fine - company, rural telecommunications projects can genertimes conflicting interests—ate a 20-25 percent return on because, collectively, its investment, even in countries with a per capita GDP of less than \$300. "We are saving that doing

good can also be good business," argues Terrefe Ras-Work. WorldTel's interim executive officer.



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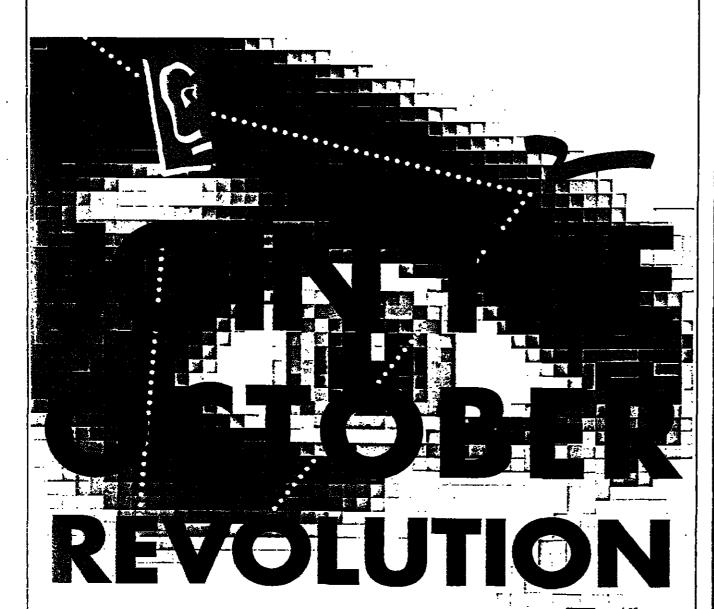
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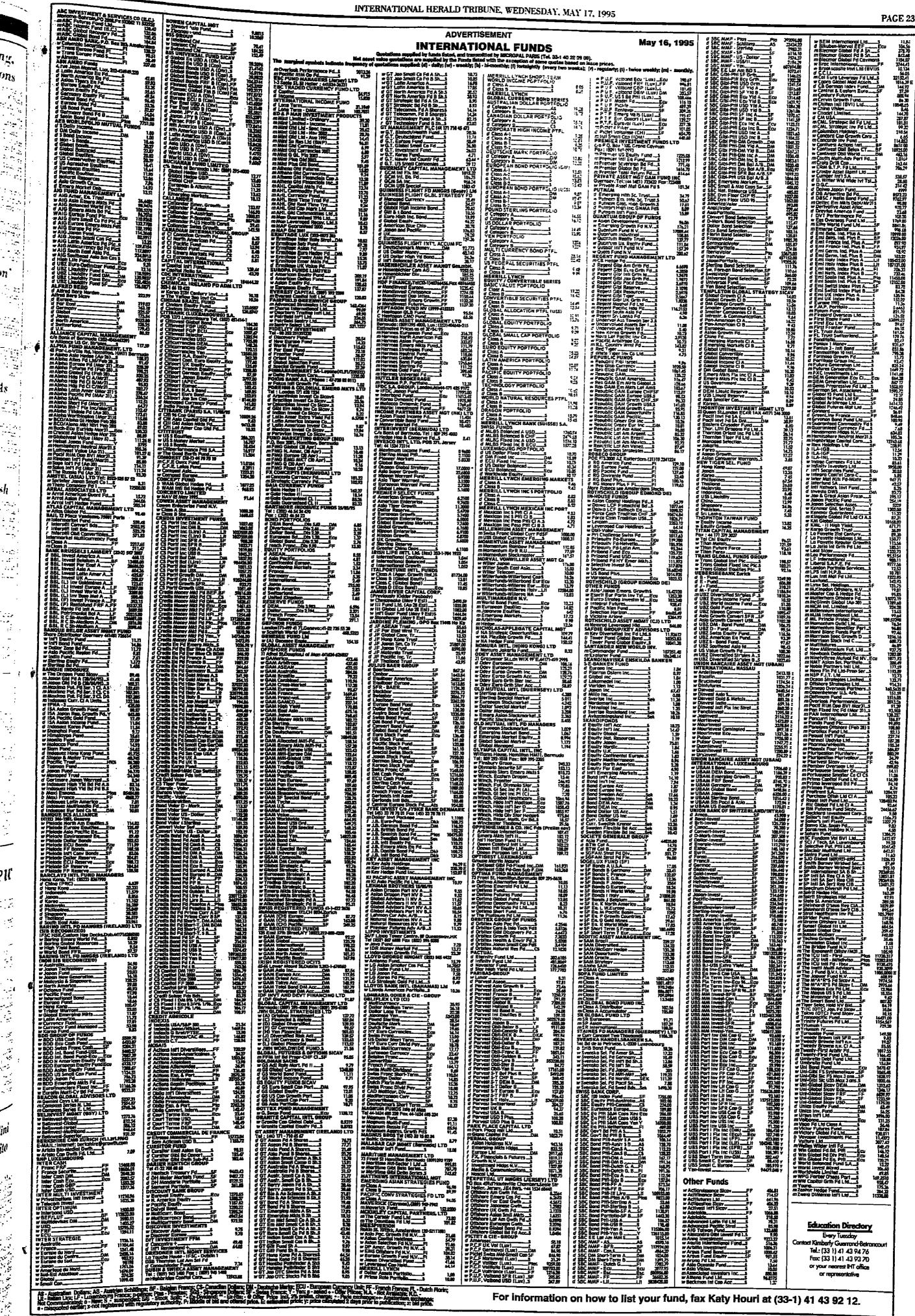
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#### **SPORTS**

## Blackburn: A Team and Town Reborn

B LACKBURN, England — A man clad in a blue-and-white soccer shirt, wearing a yellow tin hat and carrying a white paintpot, clings like a limpet to a towering industrial chimney. John Warburton is intoxicated but not drunk.

A steeplejack by trade, a Blackburn Rovers fan by birth, he carefully paints a single word, CHAMPIONS, down the red brick chimney. High above the gray rooftops of this old cotton mill town, he leaves a mark of respect to Rovers, the team which, on Sunday, won England's lengue title for the first time in 81 years.

The chimney is slated for demolition. Like much of this northern town's disused industrial heritage, it will fall on hard times. But the Rovers club has bounced back. With

the last kick of a 10-Hughes Hughes month season, Black-

burn recaptured the glory last seen by grandfathers and great grandfathers. The wealth of small towns like Blackburn dried up decades ago. Jobs declined, housing and institutions became relics of a bygone prosperity, and the team lost its

oldest soccer league in existence. When history rolls, like the soccer ball, professional sport goes downhill with everything else. Except that, here, one man has reversed the momentum.

importance as a founding member of the

Jack Walker, who left school in Blackburn at 15 to work with his father and brother in a one-room scrap metal shop beneath a railway arch, sold his eventual steel empire in 1968 for £360 million.

He lives in tax exile in Jersey, where he launched, among other things, Jersey European Airways. A quiet man, not so much shy as disinclined toward flaunting wealth

or modern hype, he at one time employed stadium had become, whatever the strain hundreds of Blackburn's manual workers on their budget. at Walker Steel just a mile or two from Ewood. Jack and his brother beavered away, played a shrewd business hand, made a greater pile of money than any man in the town had ever imagined, then sold when the time was ripe.

But as the soccer club became desperate for the pennics of life, a former chairman remembered how much Saturday afternoons on the old concrete terraces of Ewood Park, the Rovers' stadium, had meant to the Walker brothers.

He contacted Jack, begged for a pound or two, and got more than he bargained for. Walker embraced the old flame. He threw millions - £55 million at the last estimate - into resurrecting the Blackburn Rovers. He lured Kenny Dalglish, who won five championships in Scotland as a Celtic player, and eight in England as a player, then manager of Liverpool, out of

Dalglish, stressed by the tragedies of Heysel Stadium and Hillsborough that involved Liverpool fans, had walked away insisting he was ending "all active participation in football." But Jack Walker is a man of persistence. If soccer could reclaim his affections, then he could persuade Dalglish. He needed to, because players such as Gary Lineker had rejected inducements to move home and family to the half forgotten Lancashire town.

Could you blame them? Edwood Park was a decaying Victorian edifice, redolent of the red brick chimney era, a palace of sport in times when stadiums were built for thin folk to stand in. Nowadays, by government decree and by financial logic, they have to be stadiums to seat fat cats as well as folk whose traditional loyalty would take them into whatever shape or style the burn, but also men of substance.

Houston Si, Louis

on their budget.

Blackburn before the Walker-Dalglish era had one foot in the third division, one heck of a job keeping the bank and the safety officers from closing it down, one

reason to survive: Hope. In October 1991, Dalglish accepted Walker's offer. By May 1995, the improbable dream was a fact. Blackburn, a town whose population combined with that of neighboring Darwen is 142,700, had taken the championship away from Manchester United, whose glamor is world renowned, whose paid-up official support group numbers 122,000 - and whose stock market valuation plummeted £10 on Monday.

Manchester United might get some of that fickle City money back if it wins the FA Cup final on Saturday. But the moral is clear: teams that occupy the high ground are as exposed as the steepljack up his chimney.

Down on the ground, with thousands of Blackburn folk marching across the steep hills to Ewood Park, Walker promises to spend "whatever it takes" to hold on to Dalglish and his coaching expert Ray Harford.

He vows to make Alan Shearer, the goalscorer whose dynamic leadership is much coveted by Italian teams, not just a millionaire in his time at Blackburn but a million pounds a season man. Shearer, he insists, is going nowhere; nor should he, considering how Blackburn kept faith and kept paying him while most of the previous

season was lost through a knee injury. In the company of Shearer, of players such as the national team goalie Tim Flowers and the Scottish defender Colin Hendry, Walker is in his element. They are the new players, the mercenaries, of Black-



REAL MATEY, LIKE — The Australian team arrived Tuesday in Cape Town for rugby's World Cup and got a rousing welcome that included a minstrel show applicated by (from left) Damon Smith, Jason Little and Daniel Herbert. Another of the favored teams, New Zealand, arrived in Johannesburg. The tournament starts next week.

Conversations over a pint of beer with roes in the bine and white halved colors. the benefactor are down-to-earth, basic affairs. No hype, no promises outside the

pay packet, no trappings of airs and graces of the rich man indulging his hirelings. Around the dressing room, Walker, an old boy of 64, is treated as "one of them." Some part of him is back on the terracing where, as a lad, he loudly cheered on he-

Those heroes, the likes of Bryan Douglas, a conjurer who could dance with the ball, tended to be home-grown Blackburn lads. Since, the revolution had come and gone. Blackburn's commercial base had withered away. The parochial era of players augmenting soccer wages by working at

market stalls on cobbled streets was past.

The team has regained its status, boasting the original motto, arte et labore. But if the method is pragmatic, the style more labor than art, for the moment the folks who come down from the hills care only that pre-eminence is restored. As is written on the tallest chimney: CHAMPIONS.

Rate Burgles is on the stuff of The Titues.

## A Rotten Day for Sampras

ROME - Pete Sampras, who a year ago won the Italian Open with a brilliant clay-court performance and headed into the French Open as the favorite, was jeered off the court Tuesday after a miserable first-round defeat.

Sampras lost, 6-4, 6-3, to the unseeded Fabrice Santoro of France and became the first top seed and defending champion ever to be eliminated in the first round of this tournament.
"I dug myself into a hole and couldn't get out of it," Sampras said. "I had an off day. On clay, it's harder for me to

get out of it than on other surfaces." He looked lifeless, confused and uninterested against Santoro and, during the last set, the Center Court crowd at the Foro Italico began whistling in derision. When Sampras sailed a forehand long on match point, for his 42d unforced error, the jeering reached a crescendo.

Sampras was not the only seeded player ousted Tuesday. Jim Courier, the ninth seed and two-time champion (1992 and 1993), was upset, 3-6, 6-3, 7-6 (7-3), by another Frenchman, qualifier Thierry Guardiola. And No. 6 Yevgeni Kafelnikov of Russia lost by 3-6, 7-5, 6-3 to the Italian qualifier Corrado Borroni.

## SIDELINES

#### Murdoch Buys Into Asian Golf Tour

HONG KONG (AFP) - Rupert Murdoch further extended his television sports empire Tuesday by signing a television and sponsorship deal with the new Asian PGA Tour.

The News Corp. unit Star TV, through its sports channel Prime Taronto Sports, will take a 20 percent financial stake in the 20-event tour Texas Guzmon Cax (2), Mer company for tournament highlights.

#### For the Record

Jimmy Garcia has lapsed into a come with kidney failure and his doctor in Las Vegas said he did not think the 24-year-old Colombian boxer would survive. (Reuters)

Brian Horton of Manchester City became the 12th manager fired this season by a Premier League soccer club. (AFP)
Lloyd Carr, appointed interim coach after Gary Moeller resigned this month after a drunken confrontation with police, will coach Michigan's football team at least for the 1995 season. (AP)

#### SCOREBOARD

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R. Lewis (9) and C. Johnson, W.—Burkett, 3-2.

L.—T., Green, 2-2. HSS—Florida, Veros (2), Calibuson (2). Whitmose (1). Major League Standings AMERICAN LEAGUE itvisien W. L. Pci. Colbrunn (2), Whitmore (1). 050 000 000-0 5 1 017 100 3ks-4 7 6 Olivares. Pointer (5), Thompson (6), MLMenoz (7), Bolley (8) and Girardi; Mercler, Borton (9), Wolhers (9) and J.Lopez (4)—Mercler, 1-1. L—Olivares. 1-2. HR—Ationio, J. Lopez (3). Montreal 290 000 165-3 5 8 More York 000 002 63a-5 10 1 Heradio, Everspard (7), Shaw (7), Urbina (8), G. White (8) and D. Facher, Soche (8); Harnisch, J. Monzanillo (8), Franco (9) and Hundley, W.-J. Monzanillo, 1-2 L.—Shaw, 6-2. Sv—Franco (5). ,375 ,333 .563 .556 .500 .421

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Heldenn), 4:25, 25, Louis, Hulf 3 (Stinenton,
Merian), 12:10 (pp), Pensities—Murzyn, Ven
(Intesting), 4:00; Moctanis, 5t. (Interier—
ence), 4:18; G.Courtsott, Ven (cross-checking), 4:00; Lummte, Ven (Interiermen), 10:41)
Helden, Ven (Interiermen), 10:41)

ence), 4:18; G.Courinati, Van (crass-check-ing),6:01; Lumine, Van (interfermes), (0:41) Hedican, Van (roughing), 14:29; Laperriers, 5:1., moler (efforting), 14:40. Second Pertad—3, Vancouver, Ruutiu 1,4:31 (sh), 4, Vancouver, G.Courinali 2 (Murzyn, Lumme), 4:48 (sh), 5, St. Louis, Silks, 3 (GR-bert), 19:13, 6, St. Louis, Haufder 1 (Carbon-neus), 18:25, Psendines—Humier, Van (elsow-ing), 2:22; Cultimare, Van (roughing), 6:25; Chase, Sit. (roughing), 4:25; Shouchan, 5:1 (Charping), 6:25; Bure, Van (elsow-ing), 7:31; Anderson, 5tl. (roughing), 4:39; G.Courinali, Aroungut St. (roughting), Nation, St. (countain, Von (roughting), 15:33; Norton, St. (rough-ing), 15:33; Odlick, Von (roughting), 17:54; Chasse, St. (high-sticking), 17:54. Third Period—7. Voncouver, Beronek 1 (R.Courtmall, Hedican), 1:37, 8, 51. Louis, Shonohan 4 (Loparriere, Chesser), 2:32, 9, Von-couver, Ronnino 1 (Okstute, Linden), 5:56

Curver, Romins 1 (Oksiris, Linden), 5:56 (pp), 18, 31. Louis, Boron 1 (Loserriere), 8:22. \*Ven Peudities - St. Louis Banch, served by McDate (the many men), 5:41 - 42.

siufe, Bobych), 1:43. Penedites—Hone.

Shelt on sixti - Vanctiver 9-9-3-26. St.
Louis 7-15-14-0-3. Pewer-stay Opportanties—Vanctiver, McLean 3-2 (36 sixth-3)
saves). St. Louis, Joseph (19-13), Copyr 6-1
(1:57 third, 9-7).

TORORTO 9 1 1-2
CHICAGO 1 2 2-4
Manytin Fouries, Jimm Managoris N Leville: 1, Toniy Remarker, Switzerland, MapelGB, five hours, 36 millouiss, 33 seconds, 4
Manytin Fouries, Linky, London-Pemories, 4

(Chlospe iseds series 9-2)
First Period—1, Chlospe, Croven 2 (Ni-chells, Cumminst), 19:22, Penulliss—Glimour, Tor (Irripolity), 11:26; Krivnkrstov, Chi (noid-

Ter (frigosting), 11 sib; Krivokrasov, Chi (hold-ling), 15:01.

Semind Perlod—2, Chicosol, Amante 2-(Che-line), 9:28. 3. Terronio, Sundin 5 (Berty, DiPfe-tro), 19:11. Pessetties—Glimbur, Tor (cross-checking), 3:15; Buchar, Ter, double misro-thigh-discking), 3:26; B.Suffer, Chi (fripping), 7:22; Gratiann, Chi (holding stick), 10:12; Ho-sue, Tor (hist-sticking), 20:01.

Taird Perlod—4, Toronio, Andreychid, 2 (Ghintour, Gill), 212; (br), 5, Chicosop, Murphy 2 (Nicholia, Croven), 5:38.6, Chicosop, Croven's (Suter), 14:41. Pessetties—Berg, Tor (rosph-ring), 44; Chellos, Chi (historichia), 44; Di-

z (michosis, Crowni), 5:38.6, Chibingo, Crowin I Stater), 14:41. Péspities—Berg. Tor (rough-ing), :44; Chellos, Chi (Interference); :44; Di-ducis, Chi (boarding), 1:35; Chellos, Chi (chargine) 7:49; Sondih. Tor (interference). 18:33; Berg. Tor (ungerfamenille canduct), 11:39; Amonte, Chi (roughing), 11:39; Sundin, Tor (stashing), 17:36; Diduck, Chi (stashing), 7:36.

Shots on good—Toronta 9-7-9-25, Clacaso Shots on your-Toronto 1-7-7-25, c-course 19-16-13-33. Power-play Departmenties—Toronto 1 of 5; Chicago 8 of & Geoffles—Toronto. Potvin 2-3 (33 shots-27 soves). Chicago, Berlour 3-2 (23-23).

SAN JOSE

CALGARY

2 0 4-6

CALGARY

(Cassary leads series 3-2)
First Peried—1, Colsony, Nieswendyk 3
(Klalo),6:07 (po),2, Catgory, Fleury 6, 10:12.3,
Colsony, Fleury 7, (Nylander, Housey), 18:44
(po), Pearlites—Gan Jose bend, setyed by
Dahlen (too many man), 4:50: January 5,3
(boarding), 17:23; More, 5,3 (cross-checking),
18:44.

Second Perford—None. Penalties—Otto, Col (holding), 7:57; More. SJ (elbowing), 17:17. Third Pariod-4, Coleany, Tillov 3, 8:54 (sh). 5, Colgary, Stern 3 (Nylonder, Rescript), 17:51 (pp), Peadities—Stern, Col (roughins), 6:15; Irbs.SJ. Served by Withher (motch penalty), 17:18. Shots on gool—Son Jose 64:10—25. Collacy 18:464—26. Paver-stery Opportunities—Son Jose 60:1): Colpary 3 of 5. Goolins—Son Jose 1 of 5. Collacy 10:56.

Continues in 5.

WLAF RESULTS

Tousdon's remails in the faterit stope, 192 Milespeter's (119 miles), from Meadon's 16 Lorde: 1, Ton's Reminister, Switzerland, Massi-GB, five Internal milester. 39 seconds; 2. Reservice Pondriest, Holly, Lombre-Pondriest seconds behind; 3, Francesco Casoprande, Flaly, Mercythia Unbo-Sadoc, 6 seconds behind; 3, Francesco Casoprande, Flaly, Flary, Mercythia, Hospisco Casoprande, Flaly, Mercythia Unbo-Sadoc, 5 seconds behind; 4, Chaudia Chilappaco, Holy, Correra James-Tossoni, Sh.; 6, Evigeni Bersin, Russic, Gelviss-Bollon, s.i., 7, Helmi Inthodas, Switzerland, Certamiche Relin, S.i.; 8, Poofa Lantronchi, Italy, Mostificio MG, s.i., 16, Fleire Ugrunnov, Latvic Gewiss-Bollon, s.i., 16, Fleire Ugrunnov, Latvic Gewiss-Bollon, s.i.

Davide Rebellin, Italy, Mopilificio MG. s.l., 19, Plotre Ugramov, Lotvic. Gevins, Sottors st. Standings: 1, Rominger, 15 hours, seven relatives and 48 seconds; 2, Fondriest, 15 sec-eads behind: 3, Congression, 192; 4, Berzin, 1:55; 3, Ugrumov, 1:28; 4, Rebellin, 1:45; 7, Povel Toakov, Rassio, Lompre, some time; 8, Assalinitions Lelli, Italy, Maryatone Una-1:49; 9, Windimir Belli, Italy, Lompre, 2:67, 90, Zolnd, 2:18. 1:49; 9, Wiedimi 10, Zaind, 2:10.

BASEBALL

BASEBALL

American Leasure
BALTIMORE—Optioned Jettrey Hommands outfielder, to Bowle, EL, and Jock
Voist, outfielder, to Bowle, EL, and Jock
John Wawnuck, outfielder, to Bowle. Added
John Sheo, Mitcher Jo 40-man roster; outlaned
John Sheo, Mitcher Jo 40-man roster; outlaned
John Sheo, Mitcher John Many May Sylva, outPhilader, on 15-day dispubled itst, retroactive to

Helder, on 15-day disabled list, retroactive to May 11.

BOSTON—Designated Joel Johnston, pitcher, for assignment. Activated Zone Smith, pitcher, Cotioned Milke Hertley and Frank Rodriguez, pitcher, and Shave Rodriguez, intielder, for Powincket, IL.

CHICAGO—Bought contract of Reb Ditate, pitcher, from Bireflegharh, St., Optianed Alies Hammolder, Island Marquez and Scott Retisorn, pitchers, and Botry Lyons, calcher, lo Nashville, AA.

Ruttorn, ptiches; to Nashville, AA.

asicher, off wolvers from N. Y. Mets. Optioned David Bett. Infielder, and Chad Opea, pitcher,

Soft Lake.

NEW YORK—Put Pout O'Net!Louiffe on 15-day disabled list, retroactive to May 7 and Dave Silvestri, startstop, retroactive to May 13. Sent Brian Boelstneer and Jeff Pat-

May 13. Sent Brion Boatshaset and Jeff Pat-terson, pitchers, to Columbus. IL. SEATTLE—"tradel Roget Salkals, pitcher, to Cinchinoth for Tim Balcher, pitcher, and assigned Balcher to Tocoma. PCL. Goldened John Cummittee and Rom Villone, pitchers, and Greg Pitch, infielder, to Tocoma. PCL. Designated Kevin Kars, pitcher, for assist-ment, Bought contract of Rates! Common. jitcher, Irdan Parl City, SL. TELAS-Astraid to berms with Dean Point-

allicitor. Index port City, Si...

TEXAS-Ashield to terms with Dean Painter, third bateman, on a 1-year centrack. Put Math Witheside, pitcher, on 13-day disabled list, retrockive to May 9. Recalled Chris Michins, pitcher, from Oktoberte City, AA. Released Billy Harcher, soffiender, Sent Rick Helling and Witson Heredia, pitchers, to Oktoberte City. AA.

TORONTO—Pet Mike Holf, autitalizer, and Duare Wird, pitcher, on 15-day disabled list, retroactive to have 12. Brad Cornett, pitcher, on 15-day disabled hist, retroactive to May 13. Sent Word to Syrocuse, II., on the infasty retro-

on 15-day disobled list, retroactive to May 13, sent Ward to Syrocuse, IL, on an intery retro-bilitation dissipantent.

Mathematic Languag

ATLANTA—Opilianed, Jason Schmidt and
Brad Woodell, pitchers to Richmand, IL Sent Terry Clark, witcher, to Richmand, IL Sent Terry Clark, witcher, to Richmand, CHICAGO—Signed Jow Magrans, efficher, Tog minor-lettese contract, Placed Chris Nob-lettese, an Lichard dissipanted Christian.

CINCINNAT—Acquired Roper Salkeld.
pitcher, from Seattle Mariners for Tim
Belcher, pitcher, Assigned Salkeld to Indiana-

ptichers, to Colorado Sprines, PCL. FLOR!DA-Put Chuck Carr, cuttleider, an

er, to Chartette, IL.

HOUSTON—Optioned Doug Brocall, pitcler, to Tucson, PCL, and sent Rese Power pitcher, outright to Tucson. Traded Scoot Matt Williams, plicher. o Home to Klasimmee. FSL. LOS ANGELES—Release

PHILADELPHIA-Optioned Andy Cortes

#### **DENNIS THE MENACE**



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# Jesters of the NBA West, Barkley and Suns Play for the Last, Big Laugh

By Richard Justice Washington Post Service

HOUSTON - The Phoenix Suns' center, Danny Schayes, was holding court with the media, justifiably feeling pretty good about himself. He's a center on a team whose only advertised weakness is the lack of one, but in the final moments of a 114-110 victory over the Houston Rockets, he sank a big shot and made a terrific defen-

sive play on Hakeem Olajuwon. Now, Schayes, the son of the former National Basketball Association great Dolph Schayes, was replaying it for the boys on the bus. Then Charles Barkley

"Hey, Schayes," he said, pok-ing his head into the huddle, "Just remember one thing: You'll never be the best player

Later, when Barkley returned from a postgame news conference and saw Schayes still being interviewed, he screamed: Schayes! That's enough! Your 15 minutes of fame is up. Go back to being yourself." Welcome to life with the

Phoenix Suns, where the only two constants are winning games and listening to Bark-ley's mouth run at full throttle. "We're in the tail-kicking business," Barkley had announced loudly after this game, "and business is very good.
Phoenix stock is going up. The
Chuckster's tip of the week is,
Buy Phoenix."

Indeed, life is good for the Suns, who survived a mountain of injuries to win 59 games this season and have sprinted through the first three weeks of the playoffs with only one defeat. Now on an apparent collision course with San Antonio for the Western Conference championship, the Suns were trying to wrap up their semifinal series against Houston on

Tuesday night in Phoenix. Barkley predicted three months ago that Phoenix and Orlando would play in the NBA finals and, at the moment, his prediction looks as good as any. After 11 seasons, about the only thing Barkley has not won is a championship, and now, at 32, this seems his best chance since the Suns got to the finals in

They may not have an all-star center, but they have six current or former all-stars. Their 12 players entered these playoffs with 682 games of postseason experience, and in Barkley and Kevin Johnson they have two star performers and frerce competitors capable of carrying a

Barkley, who contemplated retirement last summer, put up MVP-type numbers this season, with 23 points and 11.1 rebounds per game. Johnson also seems healthy again after missing 35 games with an assort-ment of injuries, and if the Suns thought his best days were behind him, he showed in scoring 43 points on Sunday that he still

has a few good ones left. As long as Barkley and Johnson are playing well, the Suns have a chance to beat anyone, including San Antonio and Orlando. If one other player gets hot, they probably will beat anyone. In their last game, that one other player was the rookie Wesley Person, who contributed 16 points to take the pressure

off Barkley and Johnson. "I had to do something," Per-

1 Starting four

5 Nicholas or Peter

9 Not fat

13 Side-splitting comedy

the N.H.L.

16 London's

son said. "It was the only way to keep Charles off my back."

Person, seventh in the league in 3-point shooting, stepped up Majerle's post-All-Star game slump. And he helped the Suns keep it going after Danny Man-

to only play defense because Barkley remains one of the best sons. low-post scorers on earth. With Johnson driving the lane and splitting the defense, with Person or someone hitting a few outside shots, the Suns have all the right parts - or at least enough of them.

"For us to be as good as we can be, we have to have Kevin," said their coach, Pani Westphal. Sure, I'd like to have an allstar center. But we're O.K. without one. We can find ways to win with what we have."

Barkley may be the perfect become such an attractive place to keep that in mind. The sea- mind and of do anything that taker. Indeed, he seems to enpersonality for the Suns, who face a particular kind of pressure. They're the model NBA to fill the void created by Dan franchise, one that probably has done more things right than any other. Their chief executive officer, Jerry Colangelo, may be ning tore up a knee in February. the most respected in sports, The Suns need their centers and his team has a string of seven straight 50-victory sea-

> But what they have not done in their 27 years is win it all. When Barkley arrived three seasons ago, the coach then, Cotton Fitzsimmons, took him into America West Arena and said: "See these seats. They're all sold. That's not why you're

He pointed to the rafters and said: "There's no banner up there. That's why you're here." They have accomplished everything else and the club has

anning and Wayman Tisdale lot of down time." accepted less money last summer to join the Suns.

Now, there's one thing left.

to play that free agents like son is full of spurts. There's a It's an indication of that urgency that after every game,

one of the first questions John-"We're in the tail-kicking business, and business is very good. Phoenix stock is

going up. The Chuckster's tip of the week

Charles Barkley, Phoenix Suns' star

and with Barkley and Johnson at least approaching the end of their peak seasons, time could

is, "Buy Phoenix." '

"We're committed to getting it done," said the forward A. C. Green. "We're focused on that single thing. Not just to get there, but to win it. You've got

son hears is: "How does the body feel?" The answer of late has been:

"Pretty good." Johnson said he kept the playoffs in mind during a frustrating regular season that means absolutely nothing. "I had to try and keep that in would keep me from playing right now." he said. "I've had to learn a lot over the years about

"Our focus is not on anything beyond the next game," Johnson added. "It's fine to have those goals and everyone knows what our goal is. But there's a lot of grunt work that has to be done. It's not always fun, but if you don't take care of it, you'll never win anything."

Westphal knows that, 100. A former all-star guard in Seattle and Phoenix, he has won 72 percent of his regular season games and reached 150 victories quicker than all but one other coach in NBA history.

Yet with a team with Johnson, Barkley, Danny Ainge and Maierle. Westphal is often considered little more than a carecourage such thinking by keeping a decidedly low profile. "If people are going to judge

you on how much you scream at someone or bow much you run up and down the court, I'm not going to look too good," West-phal said with a shrug, "That's just not me, It never has been. We've been able to accomplish some things here, and I'd like to think I've been part of it."

He's not without courage. Injuries were part of the reason he tried 25 different starting lineups, but at times he benched Johnson, Ainge and Majerle while searching for the right combination. He finally stopped when Barkley asked him to settle on just one - with Person in the starting lineup and Majerle on the bench, is different in Phoenix. We Westphal risked stepping on

but if either of them has a big game in the finals, Westphal will look like a genius.

Still, because the Suns haven't won a title, there has been speculation that, despite his success. Westphal could be in trouble. The speculation grew enough that Colangelo recently had to tell reporters: "He'll be back."

That's apparently a price for winning too much, for being part of an organization that has done everything except win the ultimate prize.

"People will come up and tell you that some game was a big win," Johnson said. "If we don't keep it up, it doesn't matter. You can't get caught up in those things. I think the attitude haven't done anything yet."



Felix Potvin put his foot down when Brent Sutter threatened, but couldn't keep Chicago from winning its third straight.

## **Toronto and San Jose Teeter on Edge**

It is now the Toronto Maple Leafs and San Jose Sharks who have to play catch-up in the Stanley Cup playoffs.

Since winning the first two road games in their respective series, suddenly both are going the other way, with three straight losses that have put them one game away from clim-

The Maple Leafs lost, 4-2, in Chicago on Monday night, and the Sharks lost in Calgary, 5-0.

"We started being the aggressors instead of sitting back," center Bernie Nicholls said of Chicago's turnaround in the first-round Western Conference series. "In the first two games, we didn't take advantage of our opportunities. Now we are taking advantage. We've battled back."

So have the Flames, who looked like they were going to

for the Sharks, who shocked the round and advanced to the con-Detroit Red Wings in the opening round last season.

We've given ourselves an opportunity here," forward Theoren Fleury said. In Chicago, Joe Murphy

scored on a goalmouth pass from Nicholls with 141/2 min-

NHL PLAYOFFS

utes to play as the Blackhawks

moved within one win of their first playoff series victory over the Maple Leafs in 57 years. In posting their third consecutive triumph, the Blackhawks became the first team in the series to win a game on home

Murray Craven scored twice and Ed Belfour made 23 saves for the Blackhawks, 0-for-5 in ronto since last winning in Francis.
1938. The Maple Leafs beat Red W

be another first-round victim Chicago in last year's first McCarty, Dino Ciccarelli and ference finals for the second successive season.

> In Calgary, Fleury scored twice, and Trevor Kidd made 26 saves for his first playoff

Joe Nieuwendyk, German Titov and Ronnie Stern also scored for the Flames, who could win their first playoff se-ries since their 1989 Stanley Cup championship on Wednesday at the Shark Tank in San Jose, California. They had lost their previous four home play-

Fleury got both his goals and as many shots as the entire San Jose team in the first period, when his team outshot the visitors, 18-6. Fleury leads the playoffs with seven goals and six assists for 13 points, one postseason series against To- more than Pittsburgh's Ron

Red Wings 3, Stars 1: Darren

Vvacheslav Kozlov scored for Detroit, which finished off that

series in five games. Only the solid play of goalie Andy Moog kept Dallas in the game through the first two periods, when the Red Wings out-

shot the Stars, 29-16. Kevin Hatcher scored for Dailas.

"We're pleased to win, but we expected to win," said Detroit captain Steve Yzerman, whose team finished with the best record in the National Hockey League this season. We're trying to win a Stanley Cup. We intend to go farther.

Canneks 6, Blues 5: Cliff Ronning scored his second goal less than two minutes into overtime, and Vancouver, tying a league record for short-handed goals in a series, moved within one game of clinching its firstround series.

Ronning took a pass from Roman Oksiuta on a 2-on-1 break, faked a shot on Jon Casey and slipped a backhander into an open net to give Vanconver its second road victory in the series.

The Canucks got two short-handed goals in a 17-second span of the second period, their fourth and fifth of the series, to tie the record. They also blew leads of 1-0, 3-1, 4-3 and 5-4 before finally finishing off the

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## **Dodgers' Martinez Holds** The Poor Pirates to 1 Hit

The Pittsburgh Pirates are just the kind of team that Ramon Martinez can dominate. And, facing the team with the fewest runs (61) and worst record in the majors (4-13), dominate he did, retiring the first 11 batters and taking a no-hitter into the seventh inning Monday

Pirates' only hit. Martinez pitched seven innings and relievers Rudy Seanez and Todd Worrell finished up the one-hitter with an inning each as the Los Angeles

Dodgers won, 4-0. In the fifth, Martinez slipped on moist grass to the left of the mound while fielding a slow grounder by Carlos Garcia. Martinez threw out Garcia, but also was injured slightly.

"My groin was bothering me a little bit," Martinez said. "I pulled it a little bit last week in San Diego. Then, when I went to throw the ball, I was on one

He had retired the first 11 batters before walking Al Martin. King ended the no-hit bid by grounding a single through he hole and p i giving unifo baseman Dave Hansen, who

wasn't playing at normal depth. "He's been known to lay down some bunts," Hansen said. "And I thought, with Ramon pitching a no-hitter, he was go-

ing to try anything to get a hit."
"It was a good pitch," Martinez said of his fastball to King. "It was a ground ball and he just hit the hole. The only way Dave could have had a chance was if he played back a little, but he was checking for a

bunt. Martinez, who shares the Dodgers' record with Sandy Koufax for strikeouts in a game, with 18, fanned five and walked three.

Raul Mondesi hit a three-run homer, his seventh, in the first inning against Paul Wagner, now 0-8 since his previous victory last June 26. Wagner hasn't pitched with a lead in any of his five starts this year.

The Dodgers made it 4-0 in the fifth after a leadoff triple by Jose Offerman. One out later, shortstop Jay Bell fielded a sharp grounder by Eric Karros, threw to the first-base side of the plate and Offerman's left hand beat catcher Mark Par- let him go. ent's tag.

and bunted home the go-ahead run in the eighth as San Diego won its 10th straight home lately. Tonight we got the job game against St. Louis. Ausmus and Steve Finley hit

drew just 6,758, their smallest home crowd since 6,732 saw a game against Cincinnati on Sept 28, 1993.

With the score 5-5, Ken Caminiti opened the eighth with a double. After a sacrifice and a walk, Ausmus made it 6-5 with his bunt single, and pinch-hitter Roberto Petagine added an night before Jeff King got the RBI single.

Mets 5, Expos 3: New York avoided a sweep of its four-game home series against Mon-

NL ROUNDUP

treal by rallying for three runs in the eighth.

Jose Vizcaino drew a leadoff walk, Rico Brogna singled, and Bobby Bonilla made it 3-3 with a single. Ugueth Urbina re-

lieved and walked Joe Orsulak, loading the bases, and Edgardo Alfonzo hit a two-run single. The Expos also lost first

baseman Cliff Floyd, who fractured and dislocated his left wrist in a collision with the Mets' Todd Hundley. It was uncertain how long Floyd will be sidelined.

Whitmore and rookie Quilvio Veras each homered and drove in two runs as Florida, which started the day nine games behind Philadelphia in the NL East, beat the visiting Phillies.

has baseball's best record, lost for only the second time in 12 Braves 4, Rockies 0: Keni Mercker, who held visiting Colorado to four hits in eight in-

Greg Colbruna also homered

for the Marlins, who are last in

the majors in batting average,

but scored in each of the first

Philadelphia (13-5), which

Javier Lopez homered for At-The Braves, who won for just the third time in 11 games, improved their overall record

nings, also singled in a run and

against the Rockies to 22-2. Mercker struck out eight and walked two in the longest stint by an Atlanta pitcher this sea-

Cubs 6, Giants 1: Steve Trachsel held San Francisco to three hits and won his 10th straight road game for Chicago. Trachsel, who has a career record of 1-9 at home and 10-1 on the road, also drove in the

game's first run with a secondinning single. Sammy Sosa hit his third homer in two games and Scott

two RBIs for the Cubs. Bullett hit a run-scoring single in the sixth for a 3-1 lead, and again in the seventh, when

## **Tettleton Deal Paying Dividends for Rangers**

Several of the Texas Rangers' between-seasons moves were considered questionable, but not the acquisition of Mickey

Tetuleton. Tertleton, who was signed relatively inexpensively, went 3for-4 Monday night and got his second four-RBI game of the

season as the Rangers beat the visiting Toronto Blue Jays, 12-

Tettleton, who is hitting .281 and leads the team with 16 RBIs, signed a one-year contract for \$550,000 after Detroit

Padres 7, Cardinals 5: Brad erybody," said Tettleton, who Ausmus went 4-for-4, his first four-hit game in the majors, Tigers from 1991-93. "It wasn't just one person. We've been letting some pitchers off the hook done.

The Rangers were helped by solo homers for the Padres, who the five walks Toronto starter

Juan Guzman gave up in the first two innings. Four of the walked batters scored, with Mark McLemore driving in two with a triple in the first inning.

Guzman, whose ERA rose to 9.78 as he allowed six runs and four hits in 11/3 innings, complained of pain in his right shoulder after the game and club officials said he will be sent to have his shoulder examined.

Tettleton hit a two-run single in the second, a solo homer in the fourth and an RBI single in the fifth to pace Texas' seasonhigh run production and 14-hit attack. Benji Gil had two hits and homered in the sixth, his fourth of the season.

Twins 9, Angels 6: Matt Walbeck homered and tied a career high with three hits, and Scott Erickson got his first victory since last July, as Minnesota beat visiting California. Walbeck, Kirby Puckett and

Jerald Clark each drove in two runs to back Erickson, who had lost his previous eight decisions.

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(Continued From Page 4)

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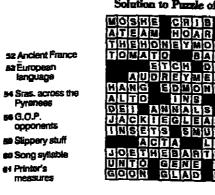
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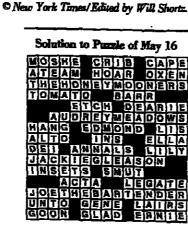
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#### **OBSERVER**

## Concentrated Pain

By Russell Baker

TEW YORK — It is a ques-I tion of pain. Everyone the first thing about the equal agrees there must be pain for distribution of pain. everybody, though something in the manner of those who talk of the manner balist that the manner of those who talk of the manner of the ma pain's necessity hints that they gests totally honest belief that

will be made in their cases. Since they are mostly members of Congress and its political courtiers, their expectations are probably well founded. This is a class highly skilled at that he is either in a nasty line of insulating itself from such com- work or has a pain-exemption mon miseries as the health-in- clause in his contract. surance nightmare and the vanishing-pension phenomenon.

Suggestions that the rest of the population might at least be ex- distributing the pain equally. tended the same health-care plan Congress enjoyed were shrugged off as clownish frivoli-

In their muddle-headed way. Congressional Democrats connived with Republicans to keep us resigned to that good old, best-in-the-world health-care system, bankruptive though it, of the kill.

The Republicans, being full of ideas and so young they can't cans of recent years, represents remember they are ideas that American business. It would be have already failed, intend to astonishing if the pain to be produce some fresh new pain. tired on pensions that even

Ronald Reagan's make-believe "Welfare Queen" might have declined on grounds that the excess bordered on tastelessness.

for pain. Being brain-dead, the Democrats were content to leave people writhing in the pain

as Senator Pete Domenici and Representative John Kasich say it will. As the Democrats ob- tiff, much less a class war. serve, however, cutting taxes

on investors with capital-gains income while cutting services for people on Medicare suggests Republicans don't know

themselves expect exceptions failure to balance the budget will be catastrophic.

like for those soldiers.

Instead of heroism,

sense of loss and

disillusionment.

Bao Ninh captures a

discuss, and although the novel won a

army 18 days after Ho Chi Minh died

foreign-language school in Hanoi.

cruel effects of the war. Or write

'It was not until the Bao Ninh

about the horrible enemy.

line and see faces of friends."

Still, when a man smiles while talking about the salubrious effects of pain, you don't have to be a cynic to suspect

Politics has nothing to do with If it did there would probably be no politics. At the heart of all political business is the question

of reward and punishment.
Or to put it in the most appallingly vulgar terms — because appalling vulgarity and politics are inseparable — it is about who gets the lion's share

Newt Gingrich, even more than most successful Republiroduce some fresh new pain. equally distributed produced Afterward a lot of them reber of Commerce than a faint

'Ouch' among the huzzahs.
If there are shricks of agony, they will come from the bottom of the population.

Observe that Gingrichism obviously requires squeezing Now the Republicans go for-ward alone uttering the bold call top, and Republicans always accuse you of fomenting "class

warfare." This is silly.
With the middle class voting they had grown accustomed to. for radical Republicans of the One wants to believe that this Gingrich school and for Rockpain will be equally distributed, efeller-type Republican-Demas Senator Pete Domenici and ocrats like Bill Clinton, there is not enough bottom to start a class

New York Times Service

came very angry at Bao Ninh," he said. "Why did Bao Ninh write about By Tim Larimer New York Times Service the war so everyone could see its HANOI — He was one of the naked face? The author

The author, who was interviewed soldiers who took Saigon for the recently with the help of a translator in Communist forces 20 years ago. his small, damp apartment in in a Now, in a war novel, Bao Ninh pro-suburb of Hanoi, said he did not intend vides a rare glimpse of what it was to stir things up. "I wanted to write a novel about the war time and about the war generation, my generation." said Bao Ninh. "This was my youth." "The Sorrow of War," published in English in the United States early

this year, offers a brutal and emo-(Bao Ninh is a pseudonym.) tionally draining depiction of the war In the novel, the main character is motivated to write when he sees the frenzied activity of Vietnam preparing for another war, this one the invasion of Pol Pot's Cambodia. "When will my heart be free of the tight grip of war?" Bao Ninh writes. "Whether pleasant or ugly memo-ries, they are there to stay for 10, 20 years, perhaps for ever. But my soul is still in turmoil. The past years out

in the jungle and the bitter re-entry into here imprison me." Writing, he says in the book, is his society of one of its soldiers. It also fills a gap in the much-chronicled Vietnam "last duty as a soldier." Bao Ninh signed up at 17, joining the 27th Youth Brigade, famous because only 10 sol-diers of the original 500 in the unit survived the war, which ended in War story by showing how veterans in Vietnam have suffered in ways similar to their American counterparts.

The book forced the Vietnamese to confront a side of the war they rarely

He was one of the soldiers who literature prize here, it was roundly attacked Tan Son Nhut airport in Saigon on the day the former capital criticized by veterans. Its author has not published since.

Not many good novels or stories

of South Vietnam fell.
Nearly 2,000 copies of the book have been written after the war," said were printed in Vietnam, but many Nguyen Ngoc Hung, who volun-teered to join the North Vietnamese more were photocopied and sold in sidewalk book stalls. About 70,000 copies have been sold in England. But in 1969, and is now the director of a Bao Ninh, 43, does not appear to have "Writers went to the fighting zone and lived with guerrillas. I gather it building he has lived in since he rewas an instruction: write only about turned from the war. the heroic efforts and minimize the

with books in Vietnamese and in En-

book came out that people knew about the horrors," said Hung, "He gave an accurate picture of what re-ally happened there. I can read each His novel, which was published I've lost my youth."
here only after he agreed to change its
It is this sense of loss and disname to "The Sorrow of Love," tells the story of a young soldier named that made the novel so controversial in Vietnam, where authors had writ-Yet, many veterans who saw themselves in "The Sorrow of War" reacted negatively to the book. On first author. "We are alike in that I was a ten strictly about the heroic deeds of reading, even Hung bristled. "I be- soldier who experienced the war and war, about the collective struggle of



Bao Ninh's "Sorrow of War" describes war in the jungle and the bitter re-entryof North Vietnamese soldiers into society.

so is Kien," Bao Ninh said. The story the peasants toppling a giant army is told in a series of flashbacks as Kien and its superior technology.

tries to capture his war experiences on Bao Ninh's war is much more become wealthy. He lives with his is told in a series of flashbacks as Kien wife and 13-year-old son in the same tries to capture his war experiences on

A North Vietnamese Soldier's Brutal Story

illusionment with life after the war

uilding he has lived in since he reund from the war.

A wall in the living room is lined

"Only the generals like to talk "Those who survived continued to
about victory and defeats," Bao Ninh live," he says in the book. "But that
said. "The common soldiers don't will has gone, that burning will which
was once Vietnam's salvation. Where glish, although he does not speak English. For many years, he said, he was supported by his wife, who is a schoolteacher.

His novel, which was published here only after he agreed to change its this sense of loss and dispersions. Where the solution is the reward of enlightenment due to war, the victory of war, somehow, us for attaining our sacred war goals? Personally, I do not feel that. I think our history-making efforts for the I've lost my youth."

It is this sense of loss and dispersion of the agreed to change its list is sense of loss and dispersion of the agreed to change its list is this sense of loss and dispersion of the agreed to change its list is this sense of loss and dispersion of the agreed to change its list is this sense of loss and dispersion. now from the vulgar and cruel life we

all experienced during the war?" Variations of those questions are being asked by disenchanted veterans who spent not one or two years in published here," he added.

battle, but, as Bao Ninh luments, their entire youth. The numbers are over-

whelming. Among figures released last month. Vietnam said that 1.1 million soldiers who fought for North Vietnam or the Vietcong died between 1954 and 1975 in wars against France, the United States and South Vietnam.

Two million civilians died during the same period, while 600,000 soldiers were wounded and 300,000

were listed as missing in action.

The impression of today vietnam is of a country on the verge of an economic boom. Yet there is a nagging sense among some veterans that the years of sacrifice and pain have not been appreciated.

If there is an economic revival bringing new riches to the Vietnamese, many veterans feel left out. The Veterans Association, formed five years ago, reports that only 20 percent of war veterans receive any pension at all.

Nguyen Dao Thanh, 84, was hud died in his tiny, unheated apartmen one day last winter as a damp wind blew through his unprotected wind dows. "The spirit of my generation when the country had to fight for a independence, was very high." "Was it worth what we rificed? I don't want to say. paused and traced a finger acre picture of his son, still listed as miss in action. His two other sons. b

veterans, are unemployed.

Bao Ninh said he did not want speak for a generation of lost soldier but in a sense he has.

Veterans like Nguyen Ngoc Hun the language-school director, say the when they meet their old comrade they rarely talk about the war.
"We learned to avoid it," Hung

Even though "The Sorrow of War" was approved by government censors, it hasn't unleashed a tide of

critical literature about the war. Bao Ninh said he had not been able to publish his second novel, about an American missionary who disappears

during the war, because he was told "the time is not right." "There will be trouble when it is

#### **WEATHER**

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UESTS 2, Geraldo's nose 0. Geraldo Rivera's nose has been broken for the second time during a taping of his talk show. Two men who had been romantically involved with the same woman began ar-guing about how her children were being cared for. A third man, the woman's husband, jumped in and a fight broke out. Rivera was punched as he shielded the woman and two other female guests. In 1988, Rivera's nose was broken by a flying chair when a brawl broke out on the set between young white supremacists and a black civil rights leader. The new episode, on domestic violence, will air on May 23.

Former cricket star Imran Khan and s fiancée Jemima Goldsmith, daughter of industrialist Jimmy Goldsmith, left for France seeking privacy after news of their forthcoming marriage whipped up a media frenzy in Britain. He denied reports that the couple had aiready been married. "The wedding is a celebration, so why should one get married before announcing the engagement?" He said they would make their residence in Pakistan.



**PEOPLE** 

Willis and Moore at film.

Angered by continuing strike threats, the mayor sang "Basta!" - no opera this summer in Rome. Francesco Rutelli, who as mayor oversees the Rome Opera, canceled its six-week summer program of

"Tosca," "Rigoletto" and a ballet based on the life of film director Federico Fellini. Rutelli said the "manifest untrustworthiness" of the opera's unions forced him to drop the curtain. The unions are threatening to strike unless 300 workers employed by the previous administration are put back on the payroll and 51 temporary workers are hired permanently. The labor dispute already has forced the opera to cancel several performances.

Astronomer Carl Sagan, 60, is recovering from a bone-marrow transplant ne received from his sister to combat a disease that can develop into leukemia if left untreated. It usually takes six to nine months for the patient's immune system to

The action-adventure film. "Die Hard With a Vengeance," opened in New York at the Lincoln Square Theaters in a premiere attended by a number of celebrities including the movie's star. Bruce Willis. with his new haircut, and his wife, Demi Moore.



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